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REVIEW
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A Weekly Newspaper Established In 1917

May 6, 1939

Congress and Retaliation
AN EDITORIAL

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BY EDITH SIMESTER

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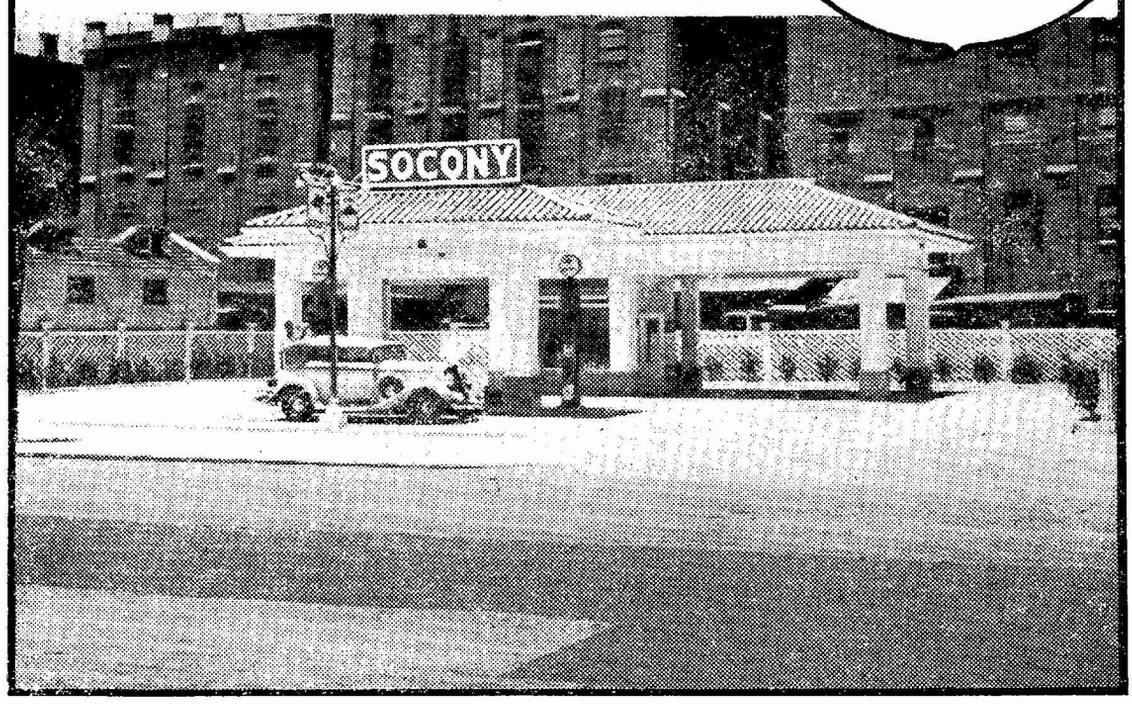

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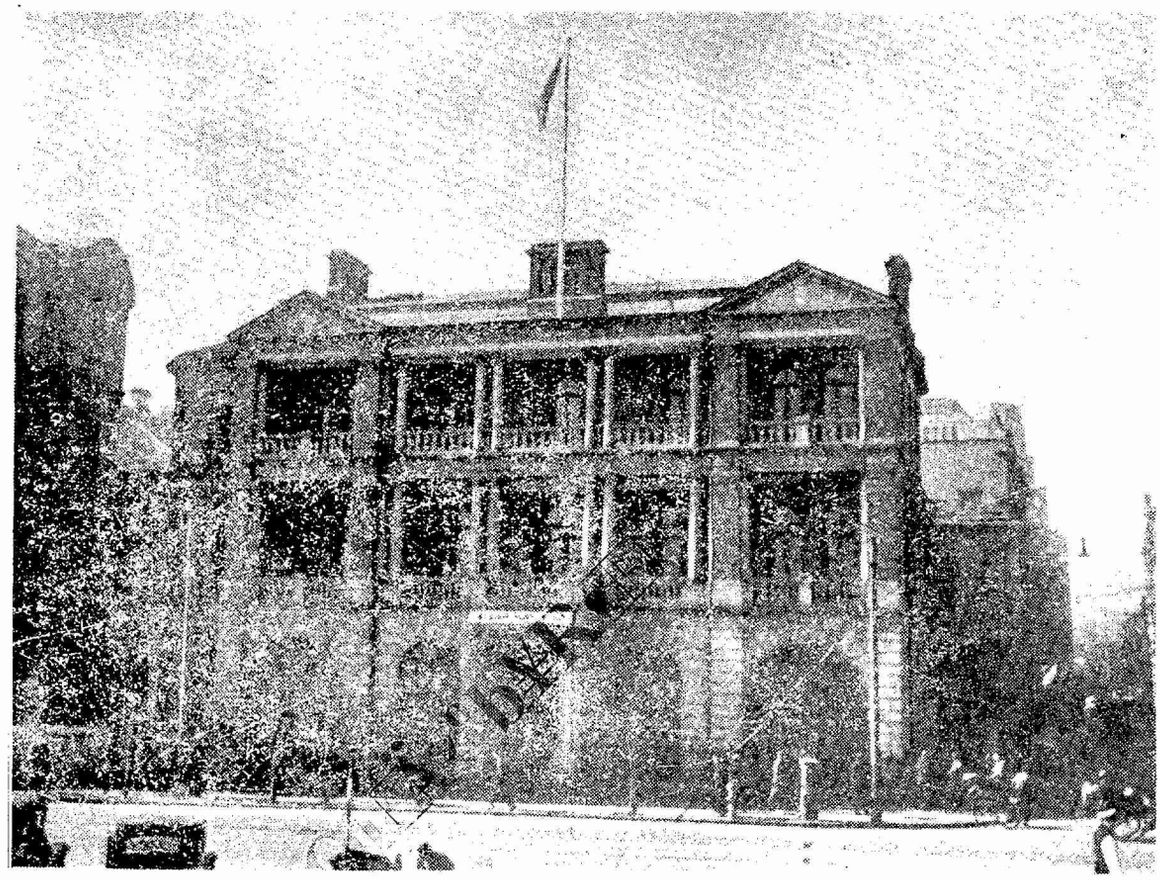

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

MOST WELCOME

To the Editor:

The Review is most welcome here. Whenever it arrives it is like a real feast to us. But the tragic thing is that it frequently arrives so late—irregularly, I mean, and sometimes it arrives not at all. I fear it is due to interference by the Jap censors right in the Shanghai Post Office. I realize this is not your fault, because you are doing the best you can to facilitate delivery. We realize there are factors in the situation beyond your control. You should establish a sub-station at Kunming or Chungking which might facilitate delivery. Also, I hope that you will be able to do something at the Shanghai end. But let me say again, we all appreciate your stand for the truth and for humanitarianism in international politics.

C. H. H.

Tin Chia Ngao,
Szechwan, April 7, 1939

BANDITS AS GUERRILLAS

To the Editor:

One of the most important recent measures of the Chinese National Government was the formation of a National Defense Council, one of whose tasks is to control and coordinate guerrilla activities behind the Japanese lines.

The chief aim of guerrilla warfare is to convert the Japanese rear into the actual battlefront, so as to keep the invaders busy and ultimately annihilate them.

At present China's inland districts are infested with bandits, who, under the mask of guerrillas, rob the masses instead of harrassing the enemy. In some cases, the guerrilla bands lack discipline and operate without orders from the high command. As a result, they do not enjoy cordial relations with the masses. This makes it difficult for them to attain their objective.

P. H. ALFRED WANG

Shanghai, April 25, 1939

A DEAD CITY

To the Editor:

On the morning of April 7, during an air-raid by eight enemy planes, one bomb fell on the dugout of the local Central Bank of China, killing 12 people inside. Our office is just opposite the bank, but thanks to God our lives were saved. As it apparently is the intention of the enemy to bomb our defenseless crowded business and residence sections, the majority of the shops and families have migrated to the country, while those who have not gone to the country permanently, get up early in the morning and only return after dusk. Our city has every appearance of a dead city in the daytime, but becomes alive at night. For the sake of safety, I have likewise moved to a village about 15 li from the city and our families have gone to Kanchow.

H. C.

Kian, Kiangsi, April 17, 1939.

WHO CAN HELP?

To the Editor:

One of the German refugees, Hans Scher, who lives at 150 Wayside 1-6, Hongkew is an upholsterer by trade and is said to be skilled in the making of "sleep" furniture. Do any of the readers of The Review know of any work, temporary or permanent, for him?

HELP

Shanghai, May 3, 1939

SHANGHAI TERRORISM

To the Editor:

The April number of Living Age, published at 420 Madison Ave., New York, had an editorial which contained the following introductory paragraph:

"Terrorism in Shanghai may well lead to serious complications as reports continue to come from the 'Paris of the Far East' of increased tension between the Powers. A clash between the United States marines and Japanese gendarmes in the American defense sector of Shanghai in the middle of March brought to the fore once more the danger of Americans not heeding warnings of their State Department to cease meddling in dangerous areas—for it is an open secret that American residents in Shanghai have been harboring terrorists against Chinese favorable to Japan. Friction has increased with the findings that American mission property too often is used as an asylum for assassins and bomb throwers.... Meanwhile Post Office officials continuously find grisly packages containing severed human hands or heads addressed to the Chinese elders who have tried to make peace with the Japanese...."

There was considerably more to the same effect, leading to the impression that this editorial may have been written by one of Japan's highly-paid propagandists or "public relations" counsellors in the United States. One wonders why the editor of Living Age should be so considerate of the

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"puppets" who "want to make friends with the Japanese."

With reference to the incident in March which involved the Marines, it is a matter of record that the Japanese invaded the American Sector and created the disturbance. The editor of the **Living Age** made it appear that the Marines caused the trouble "by violating the warnings of the State Department."

It occurred to the writer that someone should write the editor of **Living Age** giving him some facts about what is going on here—providing he wants information from non-Japanese sources.

ONE AMERICAN

Shanghai, May 2, 1939

OVER THE BORDER

Fascism bases its policy on two important principles: (1) that labor in all its phases is a social duty; (2) that private enterprise is a function of national interest.

Under the Fascist system of government control over private enterprise the agricultural landowner is required by law to keep his farms and farm implements in working order. He is required to either live on and supervise the working of his land or pay an accredited individual to do the job for him.

Profits from the land at the end of the fiscal year are divided equally between the tenant and the landowner. Farm repairs, cost of new and additional machinery and the salary of the superviser are paid out by the landowner from his fifty per cent.

The equal division of profits between owner and worker is of ancient conception and has been in constant practise. But under the old liberal policy of laissez faire it suffered tremendous abuse.

Before the advent of the present government the landowner, unsupervised, was able through neglect to bleed his land and destroy the livelihood of the farmer. Instead of returning part of his share of the year's profits into his farms for repairs and improvements, he spent it off the land and in many cases out of the country entirely.

The Italian agricultural landowner is not as "cash" rich as formerly. For centuries before the advent of the Fascist regime these individuals carelessly exploited their people and, through their people, beggard their country.

The government's intense drive to instil nationalism in the Italian people was directed as well toward the disgruntled landowner, both big and small, who in many cases, even as you and I, would rather have cash in hand and say "to hell with the worker, the country and future generations."

The realistic acceptance by Fascist leaders of the power wielded by combined capital, by church, by aristocracy has given the Italian government enemies on the Left and among inactive adherents of utopian abstractions. From its inception to the present day, a continually more effective people's government has been brought about by the recognition of and cooperation with, all existing classes.

Said a Venetian American to me, "You can as well compare the problems of the Italian Government with those of a democracy as to say that a train because it travels 90 miles per hour is better than the "Queen Mary" which only does 21 Knots.

MARION FLOURNOY

Shanghai, May 3, 1939

報論評氏勒密
The China Weekly
REVIEW
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Japanese Press Conference at Shanghai Where the Atmosphere Is Belligerent

Reprinted from China Information Service, Washington, D. C., for March 22, 1939

IN view of the fact that much of the news from the Orient published in the American and British papers, still flows through the bottleneck at Shanghai where Japanese influence is the greatest, the writer asked one of the tupnotch American correspondents in Shanghai to give him a picture of the situation there as regards sources of news from both the Chinese and the Japanese sides, reliability of the various spokesmen, relations between the press and the Japanese officials, and other pertinent information along these lines.

The reply, which appears to contain a measure of hostility towards the Japanese follows: It might be explained that in the beginning of the war, this correspondent held no animus towards the Japanese but subsequent events apparently have changed his sentiments. In any case, the reply seems worth a perusal.

As contrasted with earlier months in the war, a Japanese press conference today is pervaded by an atmosphere of belligerence, mutual distrust and strain. Correspondents have learned from experience that the purposes of press conferences is not to reveal information but to conceal and distort it, to throw hearers and readers off the track, to put over propaganda. Unsavory direct questions inevitably produce evasive answers and only the most wily questioning by a correspondent can sometimes break through the subterfuge to the facts beneath. All press conferences are approached as a struggle of wits between antagonistic elements. Correspondents know that details of war news, diplomatic developments, etc. given out carefully conceal all but the portion that will reflect no discredit or the least discredit on the Japanese. Usually some ten to twenty correspondents attend routine conferences in Shanghai. They are held in the Broadway Mansions, in the Japanese controlled and ruled section of Shanghai, causing correspondents to cross into an area most would never visit otherwise. A section of the dining room is used. Everything is very comfortable and efficiently managed and on time. Whiskey-sodas, coffee, tea, or any drink or refreshment the correspondent may want is served. The army spokesman usually leads off announcements. He reads a prepared statement in Japanese which is interpreted by Horiguchi. Y. Horiguchi, son of a well known Japanese diplomat, is American educated. He is more than an interpreter and frequently answers questions put by the correspondents without translating them for the Army and Navy spokesman. Once an irate correspondent told Horiguchi that he did not care for his (Horiguchi's) views and requested him to put the question to his principal. Once, when Horiguchi was reading an announcement which he desired to have published in the local English-language newspapers in Shanghai, he noticed that one of the reporters was not paying attention. Horiguchi stopped reading and addressing the reporter by name said, "Will you please pay attention and take this down." The fact that the newspaper which the reporter represented was suspected of receiving a Japanese subsidy made the incident rather embarassing. In addition to his work as official interpreter, Horiguchi also serves as head of the English department of *Domei*, thus showing the close connection between the official news service and the fighting forces.

The correspondents put questions. Answers are usually given in terms of a cocky or wisecracking phraseology, for Japanese arrogance dearly loves to try to be smart. Often elaborate sarcasm is indulged in at the questioner's expense. At the start of the war and the press conferences correspondents were for a while a bit taken aback by such responses but soon learned that the most effective way of dealing with the Japanese conference men was to be just as "tough" as they were. Now newsmen trade sarcasm and innuendo with gusto, often to the extreme disadvantage and embarrassment of the Japanese.

The Japanese naval spokesman has been known to say often that he relishes being under fire on the deck of his ship more than facing a group of foreign correspondents picking holes in his statements, which, indeed, are so patently contradictory and false sometimes as to be easy marks for sniping journalists. The navy spokesman follows the army spokesman and usually is more courteous and generally more reliable. Japanese navy men are as a rule far more sincere and likeable than army men, and the navy spokesman is far better liked and respected by correspondents than the army spokesman. Questions on navy matters follow. Then comes the turn of the diplomatic spokesman. Japanese diplomatic spokesmen are usually a civilized lot but often hard put to make out a good case of apologies for actions of the army and navy. Questions on diplomatic aspects follow. The conference then breaks up at a word from the interpreter. Conferences are held at 5:30 every afternon except Sunday. American, British, German, French, Italian correspondents usually make up the attendance at conferences. Cross-examination by the Americans is often very severe. The British sometimes join, the Germans and Italians rarely.

In November, 1938 reliable foreign and Chinese witnesses arrived in Shanghai from Nanking telling of

anti-American posters appearing in Nanking. The Japanese army spokesman was asked about this. At first he said he had been to Nanking recently and hadn't seen any such posters. He was asked to state "yes" or "no" as to whether there were any such posters. He hesitated and said "no." When Dr. M. S. Bates released the finds of his drug survey in Nanking containing information that the Army Special Service Section was directly connected with the heroin traffic the Japanese Army spokesman in Shanghai was asked if this was true. There was much hedging but finally the spokesman flately denies the indisputable evidence. Foreign consular and shipping officials in Shanghai have definite data proving beyond shadow of a doubt that Japanese are engaged in commerical shipping on the Yangtse. Japanese spokesmen have repeatedly denied this, saying that all shipping is done in connection with military operations, all ships connected with the military supply section. Japanese spokesmen have repeatedly announced that troops have been advised of the existence of safety zones in Chinese cities under attack and told to respect areas unfortified and not containing militaryestablishments. In both Nanking and Hankow high officers of occupation forces have confessed they have not even heard of safety zones and have had no orders about respecting them.

Japanese spokesmen are wont to assert with fervor that Japanese have never surrendered, Japanese airmen never allow themselves to be captured alive, etc. Foreign correspondents have seen and interviewed captured airmen.

General treatment of correspondents: Personal relations between correspondents and the Japanese are often strained, but the Japanese try to compensate for this by making the work of correspondents as easy as possible, quickening transportation and cable facilities, giving elaborate parties, doing many small favors and courtesies, granting favored correspondents special trips with free transportation. Domei service is provided at a nominal charge, much other literature. Correspondents have access to leading officials and the more prominent are cultivated socially by the highest Japanese military and civil officials. An example of free facilities for correspondents was the plane furnished correspondents from Hankow to Shanghai; other plane trips to the front have been given. Free rides on Manchurian railways are traditional for correspondents; elaborate facilities are provided correspondents traveling in Japan. Certain correspondents are denied these facilities because they are denied entry into Manchuria and Japan. Examples: J. B. Powell, Gerald Samson, A. Morgan Young, Freda Utley, Edgar Snow.

Chinese News: Correspondents get Chinese news at Shanghai through *Kuo Min*, which picks up from indirect sources and translates from local Chinese press. Another source is *China News and Views Digest*, an excellent translation service. Most of the foreign correspondents at Shanghai who have been nowhere else in China and who view the country as a vast mystery land, tend to be skeptical about Chinese reports. They have little knowledge upon which to base judgments and little information on which to estimate Chinese reports. They supplement *Kuomin* and translations with information from Chinese and foreigners returning from the Chinese side. There are few resident high Chinese in Shanghai who can speak with direct knowledge and who are available to correspondents. Most Chinese in Shanghai are inclined to be as poorly informed as the correspondents.

Censorship: The Japanese censorship at Shanghai is not very strict. Only occasional instances of censorship occur, but they are aften of great importance. News of Japanese atrocities is usually cut out and of attacks on foreigners. The Japanese banned a story of throwing of acid by Japanese troops at Dr. Logan Roots, American, in Wuchang. There was an official American protest, and in view of this the U. S. S. Augusta transmitted the news for American correspondents. Mail is occasionally censored, but infrequently the Japanese let through cables of the narcotic scandals at Nanking and Shanghai. The fact that Japanese censorship exists, however, often causes correspondents to write their dispatches with a certain measure of restraint.

Congress Considers Retaliation Against Japan for Violation of Nine-Power Treaty

THE 15-day hearings on the proposal to revise the U. S. Neutrality Law, have culminated in the introduction of a frankly anti-Japanese Bill in Congress on April 27 by Senator Key Pittman, chairman of the Foreign Relations Committee.

The hearings before the foreign relations committees of the Senate and House, probably will be concluded this week. While indicating a lack of unanimity on the original proposal to change the Neutrality Law so as to permit unrestricted shipments of munitions and war materials to Britain and France in the event of war with the Totalitarian Powers, the hearings demonstrated, on the other hand, the existence of overwhelming sentiment against the Japanese for their aggression in China.

While isolationist senators quickly charged that new Pittman measure, designed to penalize Japan for her violation of the Nine-Power Treaty, "would constitute an act of war," sentiment of the country indicated that strong support, in all probability, would be given to the proposal. It was generally believed that the original Pittman proposal to remove restrictions on the supply of war materials to Britain and France, would be impossible of passage through Congress, unless simultaneous action was taken to prevent Japan from taking advantage of the law to obtain further supplies of military equipment with which to continue her aggressive measures in China.

In the meantime Article 2 of the present Neutrality Law, containing the widely-advertised "cash and carry" provision was permitted to expire by legal limitation because of the inability of Congress to agree upon substitute measure. The "cash and carry" provision in the present law required belligerent nations to pay cash for their munitions and war materials and transport them from American ports on non-American ships. Since this clause in the present law, enacted two years ago, has been permitted to lapse, the Act as it now stands only prescribes conditions for an embargo on munitions once the President has declared that a state of war exists between any two or several nations.

It was thought that the lapse of the most important phase of the Neutrality Law might have the effect of speeding up action on the original Pittman proposal.

The new Bill, introduced by Senator Pittman, would empower the President to "place restrictions on trade and commerce between the United States and any violator of the Nine-Power Pact." As indicated in Senator Pittman's statement which accompanied the proposed law, it was intended to permit the enforcement

of embargoes on trade with Japan. As stated, it was planned to offset the effects of the new "cash and carry" neutrality legislation, designed to facilitate assistance to Britain and France, which is expected to be enacted in the present session of Congress.

The new Pittman Bill contains a provision empowering the President to issue a Proclamation which would become effective in ten days after submission to Congress. Congress, however, would not have power to veto the President's proclamation. In Senator Pittman's statement he urged enactment of the bill "so that our Government will have the authority to heed the restrictions imposed on our citizens in China by Japan. Senator Pittman said, "At the present time and for many months the Japanese Government in its conquest of China, has been endangering the lives of our citizens and restricting them in their rights and privileges in violation of the guarantees of the Nine-Power Treaty to which Japan gave her solemn pledge of adherence."

"Our Governement for months has been protesting to Japan without success. This resolution places in the President's hands the power which probably will aid him in facilitating an understanding with Japan."

As stated, Senator Pittman introduced his bill empowering the President to take drastic action"short of war" against Japan after public hearings conducted by the Senate Foreign Relations Committee had indicated strong opposition to the neutrality legislation which failed to make special provisions for dealing with the situation in the Far East. While the so-called "cash and carry" provisions were favored, so far as Europe was concerned, as it would enable Britain and France, who would control the seas, to obtain American supplies, the same did not apply to the Orient where Japan's superiority over China in sea power would enable the aggressor nation to benefit from the same proposal.

According to a forecast by *United Press* there was favorable prospect that the Pittman proposal would be enacted in the present session of Congress, although there was some doubt that President Roosevelt might not immediately issue a proclamation announcing an embargo on Japanese trade. It was thought that it would enable the President to give Japan a "final opportunity to reopen the Yangtsze River and other areas of China now under Japanese military control, and also to revoke measures restricting foreign trade and financial measures which had been introduced into China by Japan, or rather by the Japanese Army.

The strong attitude which the United States had taken with respect to Germany, in practically excluding German trade from American markets, was regarded as an indication of how far the U. S. Government also might be willing to go in the case of the Japanese.

NEUTRALITY HEARINGS

Representative U. S. Guyer, Republican of Kansas, in a statement before the Foreign Relations Committee of the House, urged Congress to adopt legislation which would permit the President to "lift embargoes against nations which are victims of aggression. He declared, "If we continue to supply arms to those nations which are treaty-breakers, we only assist them in their aggression and strengthen our enemies of the future." Representative Guyer's statement was regarded as significant becasue of his affiliations with the Republican Party, which has been in opposition to all New Deal proposals. Another witness before the committee, Canon Qilliam Chase, president of the Religious Union for World Peace, urged President Roosevelt to call a conference of signatories of the Kellogg-Briand Anti-War Pact. He said that Japan never would have attempted her present invasion of China "if Col. Henry L. Stimson, former Secretary of State, and the United States, had called Japan's bluff in 1931 at the time of Japan's invasion of Manchuria."

Prof. D. F. Fleming of Vanderbilt University urged the President to recall the American Ambassador, Mr. Josph G. Grew, from Japan and to increase American war loans to China. He also recommended repeal or modification of the Neutrality Act in order to prevent aggressor nations from benefitting from neutrality legislation. Representative Guyer (referred to in the foregoing) advocated adoption of the Thomas Amendment which would ban the export of strategic supplies and war materials to Japan. He said that such action would have immediate effect on the Far Eastern situation without the risk of the United States becoming involved in war with Japan. He said that Japan was too deeply entangled in China to challenge any action which the United States should decide to take in retaliation against Japan's attacks on American rights and interests in the Orient. Congressman Guyer accused the Japanese of violating the Nine-Power Treaty and the Kellogg-Briand Anti-War Pact, by her invasion of China, and her violation of Third-Power rights and interests in Asia.

China Today (*New York*)

"We want no part in this sort of trade, Uncle Sam."

Of interest in connection with the hearings before the Senate Foreign Relations Committee, was a report from Washington on April 27 stating that Senator Bennett Clark, outstanding isolationist, had been appointed to membership on the Foreign Relations Committee to fill the place made vacant by the death of Senator Lewis of Chicago.

Representative Sol. Bloom of New York, acting chairman of the House Foreign Relations Committee, expressed the view that recent testimony before the Comittee by Secretary of State Cordell Hull, might prove decisive in the course the Committee might finally adopt. The points on which there appears to be agreement at present, he said, are:

1—The necessity for continuing the Munitions Control Board and requiring licenses and full data on American arms exports.

2—The necessity for continuing to forbid American citizens to travel on ships of belligerent nations or through war zones except at their own risk.

U. S. Treasury officials on April 30 denied that plans were in preparation for enforcing a 25 per cent reprisal tariff on all imports into the United States from Italy and Japan similar to the present impost on Germany. It was rumored that the Treasury might enforce the same regulations on Japan and Italy so as not to be accused of "discrimination" against Germany.

Basic points now preoccupying American legislators, in the opinion of the *Havas* correspondent in Washington, are:

1—The unanimous desire to prevent the United States from being dragged into a war unless it is obvious that such a war is necessary for national security.

2—The very strong desire of the larger section of public opinion, to give effiacious support to Britain and France in the event of war against the Berlin-Rome axis.

But up to the present no legislative genius has succeeded in reconciling these two points in a single amendment to the Neutrality Act. Opinion was general that the United States was only exposing itself to many inconveniences without any guarantee that it would not be dragged into an eventual war when it retains only provisions for an arms embargo and discards restrictions concerning exports of other commercial articles. An embargo on arms alone would deprive Britain and France of important American support, especially in the matter of airplanes, in the event of an outbreak of war. Moreover, lack of restrictions on other articles might create a situation similar to that which gave rise to innumerable disputes between the United States and belligerents between 1916 and 1918 and finally resulted in the United States being dragged into the war.

GUAM PROPOSAL STILL ALIVE

There was a further reference to the proposal to develop naval and air base facilities at Guam Island on April 27 when the President asked Congress for U.S.$31,622,000 to finance immediate work on naval and air bases which were approved in the Vinson Naval Bill. This would enable the House Appropriations Committee to authorize the immediate letting of contracts amounting to approximately U. S. $15,000,000. First work apparently will be done on the nine new or reinforced naval bases in the Pacific "designed to give the nation a new line of defense linking Alaska and the Philippines by way of Hawaii, Midway and Wake Island." It was regarded as more or less certain that an appropriation in the Rivers and Harbors Bill would provide needed funds to improve the harbor facilities at Guam. In the meantime Congress approved a proposal to construct a modern naval hospital at Guam.

CHINA APPROVES PITTMAN BILL

Spokesmen of the National Government at Chungking expressed hearty approval of the Pittman Bill designed to restrict commerce between the United States and any country which violated the Nine-Power Treaty. The Foreign Office spokesman declared, "It cannot be denied that the principles underlying Senator Pittman's proposals are of paramount importance for the peace and welfare of mankind . . . The Nine-Power Treaty provides the only possible basis for lasting peace in the Far East. It is idle to expect the door of China to remain open, once her integrity is violated. Japan's wanton violation of third party rights and interests clearly illustrate this point . . . There is little doubt that such a measure, when adopted by a great country like the United States, would be effective in restraining Japan. Her ability to prolong the undeclared war would be seriously curtailed if she were denied essential supplies from the United States and deprived of the American market for her staple products.

"LET JAPAN ALONE"

The spokesman of the Tokyo Foreign Office on May 1 urged Great Britain and the United States to adopt a policy of "let Japan alone in the Far East". What Japan wanted was "Asia for the Asiatics," he declared. "We urge Great Britain and the United States to pursue a policy of non-interfreence in the Far East," the spokesman said. According to a *Reuter* report from Tokyo, Congressional enactment of the Pittman measure would amount to a "betrayal of the fair attitude of the United States, in response to China's appeal, and violation of the spirit of the Neutrality Act," in the opinion of Tokyo officialdom. The spokesman contended that Japan had never violated the Open Door, but that restrictions which had been adopted "were inevitably imposed by strategic necessity as a concomitant of hostilities . . . Japan has no intention of making any discrimination against nationals of Third Powers in China, as evidenced in the reopening of Tsingtao which had been effected at a sacrifice to Japanese strategic advantages."

SHANGHAI AS "HOSTAGE"

Several weeks ago a writer in one of the Tokyo newspapers said that Shanghai would serve as Japan's "hostage" in the event the western powers, that is, Britain and the United States brought pressure on Japan in connection with Japanese activities in China. Some observers professed to see a tendency in this direction in recent Japanese pressure on the authorities of the International and French Concessions. An example of this was provided on Wednesday of this week when the Tokyo Foreign Office again made representations to the American and British Ambassadors regarding Japan's "wishes" for reforms in the administration of the International Settlement.

After referring to the antiquated methods of administration, "based on regulations enacted 73-years ago," the Tokyo spokesman said it was imperative that the structure of the Council be remodeled because . . . . "the voice of the Japanese community, despite the enormous Japanese interests, is not given due and fair expression in the administration . . . . a radical change has come over the general situation in China since the outbreak of the China affair, especially in Shanghai and environs . . . the Settlement authorities should cooperate with the Special Municipal Government . . . . practical considerations should be given to the position of the Courts . . . . the question of the restitution of the land registers held by the Council must be settled . . . . terrorism and anti-Japanese activities must be suppressed . . . . "

The Tokyo spokesman had nothing to say about Japan's continued military control of the Hongkew and Yangtszepoo sections of the Settlement.

Of special significance was a report in the *Asahi* that Japan "would refuse to recognize the validity of agreements regarding the International Settlement concluded between the Powers and the Chinese Government. This statement in the *Asahi* apparently indicated Japan's fear that the Settlement authorities might make a deal with the Chinese Government which would have the effect of neutralizing Japanese pressure. A suggestion bearing on this point was that Chinese property owners be given voting privileges similar to those held by foreigners, thus effectively blocking a Japanese scheme to obtain control of the Council by artificially increasing the number of Japanese qualified to vote in municipal elections.

Several moths ago when Japan first brought up the question of reorganizing the administration of the International Settlement, the American and British Governments were said to have expressed general agreement but proposed that nothing be done until after the conclusion of the Sino-Japanese conflict. The Japanese Government accepted this proposal.

Dr. Anne Walter Fearn Dead —Spent 40 Years in China

Dr. Anne Walter Fearn, for many years the best known American woman in the Shanghai international community, died on Friday, April 28, at Berkeley, California, She was 77-years old at the time of her death, which was due to heart failure. She had resided in China, chiefly at Soochow and Shanghai, for practically 40-years, much of the time engaged in medical practice. She retired to the United States a few years ago and has since resided with her sisters in St. Louis and with friends in California. She was the daughter of Col. and Mrs. Harvey W. Walter of Holly Springs, Mississippi, where she was born and spent her childhood. Recently she devoted considerable time to restoring her ancestral home to its original condition when she spent her girlhood there.

Dr. Anne Walter Fearn

After completing a course in medicine, being one of the pioneers in that profession among women, she came to China and opened the Women's Hospital under the auspices of the Southern Methodist Mission, at Soochow in 1893, then a primitive city where modern scientific medicine was unknown. She remained in Soochow for more than 10 years engaged in active practice, most of her work being in the field of obstretics. In this period she delivered 6,017 babies. She was married in 1904 to Dr. John Burrus Fearn, who had also come to China from the United States to engage in medical missionary work. Shortly afterward they came to Shanghai, where Dr. Anne Walter Fearn occupied herself in public service while her husband, who had served with the Chinese Labor Corps in France, became superintendent of Shanghai Municipal Hospitals and director of the General Hospital. Later she opened the Shanghai Sanitarium, located in the French Concession, which was unique for its luxurious appointments.

She was active in the American Women's Club and the affairs of the international community and became known as the city's leading hostess and entertainer of guests from all over the world who visited at this Far Eastern port. Her reputation as an entertainer and toastmaster extended throughout the Far East and she was in constant demand in connection with movements for raising funds for relief and charitable purposes. She was particularly active in the raising of relief funds during the World War period in Shanghai.

Through a tragic coincidence, her book, "My Days of Strength (Harper and Brothers) upon which she had worked for several years, had been off the press but a few weeks and the first copies were received in Shanghai the day preceding news of her death. The book, shortly to be reviewed in these columns, was regarded by the publishers as a "find" in that it depicted in interesting manner, the human-interest side of Dr. Fearn's life-work in China.

Dr. Fearn had planned to return to Shanghai for a visit with her old friends the past winter but was prevented by illness and the necessity of completing her book. Her hope also was to visit Europe where she planned to travel in England, Italy, Switzerland, Greece and Egypt. Among numerous surviving relatives is a sister, Mrs. Oscar Johnson of 38 Portland Place, St. Louis. Her husband, the late Dr. John Burrus Fearn, died in Shanghai several years ago. The following paragraph is from a recent interview with Dr. Fearn which was written by Martha Bates Powell of the society department of *The St. Louis Post-Dispatch:*

In speaking of the cosmopolitan character of Shanghai, Dr. Fearn remarked. "The social life there is more vivid than in Paris or Vienna." And she knows both places. She divides Shanghai foreign society into three distinct groups—missionaries, business people and diplomats. But all have been present "at Dr.Fearn's. "Forty-eight different languages are spoken in Shanghai and each has been represented at her luncheon table. Her guests of honor have ranged from Douglas Fairbanks to Mrs. Theodore Roosevelt Sr., and the young Theodore Roosevelts, at the time he was Governor-General of the Philippines in 1932. Ellery Sedgwick, editor of the Atlantic Monthly, owes many parties to her, and others entertained include William Allen White, Mr. and Mrs. Nicholas Roosevelt, in 1930 when he was vice-governor of the Philippines; Carrie Jacobs Bond, American composer; Guglielmo Marconi and, more recently, Count and Countess Galeazo Ciano, son-in-law and daughter of Premier Mussolini. "No, I missed the Lindberghs. You see, I was in this country at the time." Dr. Fearn explanied.

Japan Warns Britain Against Cooperating With Moscow

JAPAN'S reaction to the diplomatic dickerings which have been going on in Europe, with the democracies trying to line up the eastern European states against further Nazi aggression, was stated explicitly enough this week when the Tokyo paper, *Kokumin Shimbun* reported, somewhat belatedly, that Mamoru Shigemitsu, Japanese Ambassador in London, had lodged a warning with the British Government on Apr. 27 over reports that Anglo-Soviet cooperation in Europe was to be extended to the Far East.

Lord Halifax, British Foreign Secretary, the paper said, gave an assurance that Britain would never commit herself to any joint action with the Soviet Union in the Far East. To which Mr. Shigemitsu allegedly replied that "Britain's policy of assisting the Chiang Kai-shek regime is tantamount to the adoption of a concerted Anglo-Soviet policy in the Far East," following this up with a demand that this policy be "immediately discontinued."

He Can Understand This

From China Today

There is nothing extraordinary in the fact that Japan is directly interested in the European situation only insofar as it affects, or is likely to affect, Japan's position and policies in the Far East. A *Domei* report from Tokyo Apr. 28, quoting the *Asahi* newspapers, said that the deliberations of Government leaders regarding the formulation of a policy toward the new European situation was marked by extreme caution."

This extreme caution, however, did not prevent Government spokesman from commenting, in general terms, on Chancellor Hitler's Reichstag speech. A foreign Office spokesman, *Domei* reported May 1, said that Hitler's point-blank rejection of the right of interference in international issues claimed by Britain and the United States evoked Japan's "heartiest response," since, he observed, those two countries were not only claiming the right of interference in Japan's efforts to construct a new order in East Asia and establish peace in the Far East, by invoking the principles of the Open Door and equal opportunity, but considered themselves entitled to act as arbiters between Japan and China.

The spokesman then repeated Hitler's contention, namely, that Britain and the United States should themselves observe the Open Door principle in their territories before demanding its observance in the Far East.

That Japan is following events in Europe with keen attention was indicated in a *Domei* report from Tokyo Apr. 27, which said that the inner cabinet of five minister was holding almost daily sessions, while Premier Hiranuma was holding frequent interviews with War Minister Itagaki and Foreign Minister Arita. But according to the *Kokumin*, the Government "lacked a definite policy regarding the European situation."

The paper went on to urge prompt conclusion of a military alliance between Japan, Germany and Italy, regarding such an alliance as "necessary for the construction of a new order both in Europe and East Asia. The tense international situation does not permit Japan to maintain an ambiguous attitude. However," the paper continued, "there is no necessity whatever for Japan to allow herself to become involved in a European war by casting in her lot with the totalitarian states," thus apparently contradicting the advocacy of a military alliance.

The *Miyako Shimbun* said no outside influence could change

Japan's fixed policy of strengthening the anti-Comintern Pact. It urged the nation to exert all its energies for the attainment of the objective of the China campaign "instead of worrying about every turn in the international situation," and concluded by expressing the confident belief that the Government was fully prepared for the possible participatian of the Soviet Union and the United States in a so-called anti-aggression bloc.

The *Chugai Shimbun*, leading commercial daily, deplored the attitude of Britain and France in seeking cooperation and assistance of the Soviet Union in moves to encircle Germany and expressed fears that the tense situation in Europe would inevitably extend to the Far East.

On May Day Eve, Apr. 30, 10,000 White Russians staged an "Anti-Comintern demonstration" in Harbin, *Domei* reported. Russians , Ukrainians, Jews, Georgians and Armenians, the agency said, gathered first at the Central Cathedral to offer prayers for the souls of those who lost their lives in fighting Communism, thereafter listening to addresses denouncing the Communist International.

An unusual honor was accorded a party of German journalists in Tokyo this week when they were received in audience by Emperor Hirohito. The visitors were also entertained by "Society for the Reinforcement of the Japan-Italo-German Anti-Comintern Pact" at a dinner in the Imperial Hotel.

English Journalism also "Goes West" in War-time China!

Several years ago an American young man named Bruno Schwartz from Bronx, N. Y. started a four-page paper in the American-English language in Hankow which he called the *Hankow Herald*. That was in 1923.

Proof that his idea was sound is demonstrated by the fact that the *Hankow Herald* is still published—but not in Japanese-occupied Hankow! It is published in Chungking, a thousand miles farther west, at the head of navigation on the Yangtsze, where the Chinese National Government now has its headquarters. Editor Schwartz has long since passed from the China scene, but his paper, now Chinese-owned, continues under the name *Hankow Herald*, although published in Chungking. The paper retains all of the features introduced by the original editor and its retention of the name *Hankow* indicates that the present Chinese proprietor regards the sojourn in Chungking as temporary. On the upper right-hand "ear" is the announcement, "Chungking Edition."

Present address is 72 Wu Ku Street, Chungking-on-the-Upper-Yangtsze, for those who might wish to drop the editor a post card congratulating him on his enterprise in operating the only English language American-style newspaper in Central Asia. In fact one would have to travel over many thousands of miles of mountains and deserts, including the Gobi and the Himalayas before he found another English newspaper.

How the editor managed to move his press and linotype to Chungking remains an office secret, his modest editorial statement merely saying that the removal "was attended with many difficulties which were overcome only as a result of the assistance rendered by many friends."

Unfortunately the cutter was working badly when the first edition was run off because the editor's announcement of his removal to Chungking, was sliced down the middle. But we were able to make out that the editor believed there was a need for a daily—"a journal which could publish war news and express its views freely without fear of Japanese interference." The editor felt that the publication of the Chungking Edition "would fill this need." Further on he apologized for only being able to publish six editions a week, but promised a Sunday edition later on "after conditions improve." But despite all of the complications the editor was "able to announce two new features, one a column entitled, 'Inside Chungking,' and another 'Chinese Opinion,' the latter being a summary from the Chinese-language papers, indicating that the Chinese papers, published in Hankow prior to the Japanese occupation, have also "gone west."

The first issue printed in Chungking, that of March 1, only reached Shanghai last week, having taken nearly two months. Whether the delay was due to transportation difficulties or Japanese censors in the Shanghai Post Office is not known, perhaps both, because we notice wide gaps in the dates of the issues reaching our office. However, sufficient have arrived to give some idea of prevailing conditions in the temporary Chinese capital city—and also to indicate some of the problems of publishing a newspaper in China's "Far West." For example, one day a row started in a photograph shop nearby and when a mob formed one of the culprits ran into the *Herald* office for protection. The mob followed and before the rioters could be ejected by the police the linotype was so badly damaged that the paper had to miss a day. And to make matters worse the police, through mistake, beat up one of the reporters, "which matter has been reported to the authorities," and one hopes that redress has been obtained by this time, "including damage to property due to lack of adequate police protection."

One also learns from these first issues that the American Embassy has removed to new quarters "situated on a hill at Lungmenhao behind the old quarters," perhaps to enable Japanese bombers to avoid mistakes, although not so stated.

While optimism was indicated by a classified advertisement from someone offering good pay for a "music and tap-dance teacher," it was noticeable that Chungking thinks about the menace of Japanese air-bombs quite constantly, in fact joked about them. One writer reported that the statue of Kwan Ti in a local temple was noticed to be "perspiring all over" every time the "all clear" signal was sounded. This indicated, according to the writer that Kwan Ti, God of War, had been "working very hard to keep the Japanese raiders away." Another writer suggested that the reason the Japanese bombers had given Chungking relief for a considerable period after Jan. 15 was due to the action of the uncle of a missionary who resided in a remote town in Canada. When the uncle heard that the Japanese were planning to bomb Chungking, he sent a wire to the Tokyo War Department warning the Japanese to "lay off Chungking."

A somewhat similar telegram was sent to President Roosevelt by the Presidents of 17 leading Chinese universities, who are now in Chungking, all having removed there since the occupation of the coastal provinces by the Japanese army. Those signing the telegram included, Chia-luen Lo, Chancellor, National Central University; Lu Tsou, Chancellor, National Sun Yat-sen University; Monlin Chiang, Chancellor, National Peking University; Ke-chen Chu, President, National Chekiang University; Tien-fong Cheng, President, National Szechuen University; Hsin-Kung Wang, President, National Wuhan University; Yi-chi Mei, President, National Tsinghua University; Sung-ming Hsu, President, National Peiping University; Tsung-shih Pi, President, National Hunan University; Tsu-kan Wang, President, National Chungcheng Medical College; Yuan-lung Yeh, President, Chungking University; Po-chun Wang, President, Great China University; Chi-fang Chuang, President, Northeastern Univetsity; Yu-kuang Chen, President, Nanking University; Lin-kao Chang, President, West China Union University; Yi-fang Wu, President Ginling College; Nan-shuan M. Woo, President, Fuhtan University.

LITVINOV REMOVED FROM OFFICE; FOREIGN POLICY TURN LIKELY

Maxim Litvinov, Soviet Commissar for Foreign Affairs, was removed from office on Wednesday of this week (May 3) and his post given to V. M. Molotov, chairman of the Council of People's Commissars, according to official announcement from Moscow, which said that Litvinov had been relieved of his position at "his own request." Since "liquidations" of members of the Soviet Government in the past have been made to serve conjunctural, or temporary, needs of the Stalin Government, either in home or foreign policy, it is not unreasonable to assume that Litvinov's removal probably heralds a major turn in Moscow's foreign policy—perhaps in the direction of stronger efforts to effect a rapprochement with Nazi Germany, of which there has, of late, been more than one indication. (See The Review of Feb. 4).

Lending force to this view, a Havas dispatch from Moscow associated Litvinov's removal with the "bitter disappointment" of the Stalin Government at the general attitude of the democratic powers toward the Soviet Union, particularly the action of Britain and France in extending non-reciprocal guarantees to Poland, Rumania and Greece without previously consulting Moscow. Observers in the Soviet capital were quoted by the agency as saying that "Italian and German approaches in the form of trade proposals prove that the Soviets may find more than one way out of their isolation."

Poland Becomes Focal Point of European War Danger as Hitler Makes Danzig, Corridor Demands

HITLER TROOPS FIRE ON WORKERS PROTESTING 60-HOUR WEEK

One of the most significant reports to come out of Germany since Hitler took power in 1933 was a *Reuter* dispatch dated Apr. 28 from Metz, stating that 10 persons were killed and many wounded in rioting in the Saar district on the occasion of Chancellor Hitler's fiftieth birthday.

Quoting French border reports, the dispatch said the casualties occurred after the Reichswehr had been called out to suppress a demonstration by workers protesting against the 60-hour week. German troops, it was stated, charged throngs of workers and opened fire on them. Travelers coming from Saarbrucken said similar disturbances took place in that city, 20 persons being arrested.

INSOFAR as it dealt with President Roosevelt's proposal that Germany, together with Italy, give a 10-year guarantee that their armed forces would not cross the frontiers of 31 specifically-named European countries, the speech which Chancellor Hitler delivered before the German Reichstag on April 28 was decidedly conciliatory in tone. The Chancellor said he was ready to give the assurances President Roosevelt was seeking, provided they were absolutely reciprocal and on condition that the states in question addressed to Germany formal requests for a guarantee, accompanied by "appropriate proposals."

Highlights of the Fuehrer's speech, however, were the unilateral denunciations of the Anglo-German Naval Treaty of 1935 and the German-Polish Non-Aggression Pact of 1934, coupled with the revelation that Germany had addressed demands to Poland for the cession of Danzig to the Reich and the right to construct an automobile road through the Polish Corridor to East Prussia. By these acts, Hitler prevented the favorable impression which his reply to President Roosevelt's proposal might otherwise have created. There has been no easing of European tension and the view generally prevails that an explosion of European antagonisms cannot much longer be deferred.

Poland, now that Hitler has denounced the non-aggression pact with that country, has become the focal point of world anxiety, for it is clear that a settlement of the Danzig and Corridor problems, either through the employment or threat of employment of Nazi force, is falling due. Whether or not a general European war is "just around the corner" now appears to depend upon contingencies which can be stated in the form of questions:

1. **Will Poland accept the German demands with nothing more than a preliminary diplomatic struggle?**

2. **Or will Poland, instead, resist if Germany attempts forcible seizure of Danzig and the Corridor?**

3. **Finally, will Britain and France—Poland's guarantors—render military assistance to Poland if that country does resist.**

None of these questions can be answered in advance. The astute Colonel Joseph Beck, Polish Foreign Minister, is leaving the world guessing as to the true intentions of his government, which meanwhile has summoned more reservists to the colors, bringing Poland's active military strength up to about one million men. It has been intimated that Poland is prepared to discuss outstanding problems (including the question of the German minority in Poland) with the Reich, but a strong hint has been given that any attempt by Germany to force the issue by ultimatum will meet with resistance.

Poland's stern front is weakened, however, by tendencious reports in a section of the British press (and, in part, the French press) suggesting that the Anglo-French military guarantee to Poland will become operative only in the event that Poland's sovereignty and independence are threatened or assailed, and that no assistance to Poland will be forthcoming just to preserve the *status quo* with regard to Danzig or to support Poland in a struggle regarding minorities. It will seem to many that this savors strongly of the atmosphere in which the Munich Agreement was born in September of last year. If, indeed, the British Government is letting it be known that it will not fight to preserve Polish "rights" in Danzig and the Corridor, there could be no clearer invitation to Nazi Germany to proceed unperturbed with plans for that "settlement" which Berlin desires. Poland, it is true, may decide to embark on a fight, if need be alone, in the expectation that the first shots will bring the western democracies to her side despite previous intentions to the contrary. And if Poland does resolve to resist, there can be little doubt that a general European conflagration will ensue. It will be impossible to isolate such a conflict.

Nervy World

Glasgow Bulletin

"If only some one would tell these dictators to stop making horrid threats and muttering about what they'll do one of these days!"

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HITLER'S denunciation of the Anglo-German Naval Treaty, whereby Germany's naval strength was fixed at one-third of that of Great Britain, was accompanied by the statement that he was prepared to enter into negotiations with the British government on the question of armaments. This has been generally construed as indicating that Hitler is ready to trade an agreement which would obviate an armaments race for the return of Germany's former colonies.

Chancellor Hitler, like his fellow-dictators, has acquired a reputation for forcefulness of expression often bordering on the truculent, sometimes over-stepping that mark. If on the occasion of his Reichstag speech in reply to President Roosevelt he was rather more forceful and assertive than usual, this may be attributed in no small degree to his knowledge of the fact that the coalition which Britain and France have been endeavoring to build with a view to halting further Nazi expansion,

is still very nebulous and contains one particularly weak spot—absence of any firm agreement with Soviet Russia. While there have been rumors that some sort of aggreement has been tentatively reached, whereby Soviet assistance would be rendered to eastern European states in the event they are attacked, it has still not been possible for Prime Minister Chamberlain to make any pronouncement on the subject. There is good reason to believe that difficulty is being encountered in reconciling Soviet demands with Anglo-French requirements. Rumor has it—again rumor!—that Moscow has dropped the demand for a guarantee of the eastern frontiers of the U.S.S.R. against Japan. Even if that should be the case, there still remains the problem of overcoming the reluctance of the eastern European states to accept any Soviet assistance which would entail the entry of Soviet forces into their territories. Most reluctant, it seems, are Poland and Rumania. Poland remembers the Red Army invasion of nearly 20 years ago. Rumania is apprehensive for Bessarabia, claim to which Moscow has never renounced.

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MOSCOW'S own position appears to be highly equivocal, so much so that the question as to whether, in the initial war line-up, the U.S.S.R. will be found on the side of the democracies or the totalitarian states, is still uncertain. That the Stalin Government distrusts the so-called democratic powers at least as heartily as it fears the Nazi menace was made clear in Stalin's recent speech to the Communist Party Congress. This attitude was confirmed—if a *Transocean* report on the subject is to be believed—in a May Day manifesto published in Moscow this week. This manifesto assailed "the reactionary bourgeoisie in every capitalist country" and held the democratic states responsible for the defeat of the Loyalists in Spain and the advance of Japan in China. The fascist states were attacked only by indirection.

Hitler, in his speech three days earlier, refrained even from mentioning Moscow or the Comintern. Both Hitler and Stalin realize that international rivalry produces strange bedfellows and that the possibility of a German-Soviet deal is not to be excluded altogether. If a deal between Moscow and the democracies does eventually prove impossible, a Moscow-Berlin deal at the expense of the democracies may well be on the order of the day. Despite the regular thunderings and assurances to the world of the invincibility of Soviet arms, the Kremlin is aware of serious internal weaknesses which might prove fatal in war. Stalin is still "liquidating" his leading henchmen, the latest victim being M. Frinovsky, Navy Commissar. Moscow might be prepared to make considerable concessions to Germany in exchange for a non-aggression pact. But the initiative rests, and will continue to rest, with Hitler, since it is not Moscow which wants an alteration of the *status quo*.

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THE speech of the German Chancellor—a copy of which was handed to the American Embassy in Berlin as Hitler's reply to President Roosevelt—covered a remarkably wide field and was notable for the almost flawless formal logic with which the Fuehrer rebutted the charge that Germany was disturbing the peace by attrition of neighboring territories.

"The President of the United States," he said, "has addressed a telegram to me, the singular contents of which are known to you. Before I received this document, the rest of the world had received knowledge of it by radio and the press. Moreover, we received in numerous comments from the democratic press of the world the friendly enlightenment that this telegram was a very clever and practical document aimed at burdening the authoritarian states with the responsibility for the warlike measures of the plutocracies.

"Therefore," Herr Hitler declared, "I decided to convoke the Reichstag in order to give you a chance of hearing my reply to the telegram and of either confirming or rejecting it. I believed it appropriate to do this in view of President Roosevelt's procedure and in order to inform the world of my reply by means similar to those he used."

Replying to the President's proposals, point by point, the Fuehrer said:

1. The reason for the fear of war as stated by President Roosevelt, simply and solely lay in unbridled press agitation and the circulation of vile pamphlets about the heads of foreign states which were artificially spreading panic;

2. He did not agree with President Roosevelt that every war must have disastrous consequences for the world, provided the world was not systematically drawn into such conflicts by a network of nebulous pact obligations.

3. He sympathised with President Roosevelt's appeals for a peaceful settlement without resort to arms, but said that this was made more difficult by the efforts of politicians, statesmen and the press, which were neither directly concerned, nor even affected.

4. He knew nothing of any kind of a threat by Germany to other nations as mentioned by President Roosevelt, although he daily read lies about such threats in democratic newspapers.

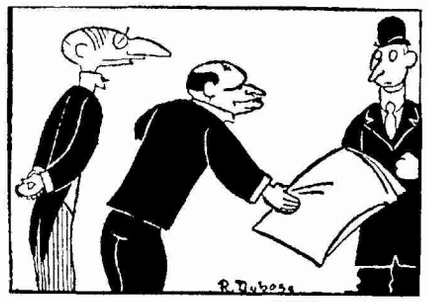
Boarding House Reach

5. For twenty years, he had expounded President Roosevelt's view that the victorious, vanquished and neutrals, all suffer in case of war, and

6. Regarding President Roosevelt's belief that the leaders of great nations should preserve their people from impending disaster, it was a punishable neglect if those leaders were not capable of controlling the newspapers agitating for war.

7. He did not know which three nations President Roosevelt meant when the President declared two free nations in Europe and one in Africa had seen their independent existence terminated, for it was not now that these nations sacrificed their independent existence, but rather in 1918, when contrary to solemn promises, they were taken from other communities and made into other nations which they had never wished to be and never were.

8. If President Roosevelt had a specific instance in mind when he spoke of reports according to which further acts of aggression were contemplated against other independent nations, Herr Hitler said: "I would ask him to name the state threatened with aggression and to state who is the aggressor in question.



L'Humanite

"See how successful our policy is?—Hitler didn't seize any new territory last night!"

"President Roosevelt said that the world is plainly moving towards a moment when this situation must end in catastrophe unless a rational way of guiding events is found. He also declared that I have repeatedly asserted that I and the German people have no desire for war and that if this be true there need be no war. I wish to point out, firstly, that I have not conducted any war; secondly, that for years past I have expressed my abhorrence of war, and it is also true, my abhorrence of war mongers; and thirdly, that I am not aware for what purpose I should wage war at all."

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POINTS 10 and 11 of Herr Hitler's reply dealt with the reasons for entering into the Great War and with the Versailles Treaty.

Point 12 contained a long historical exposition of why Herr Hitler was sceptical about the possibility of solving international problems at conferences. The Fuehrer declared: "In spite of the fact that the League of Nations had been active for twenty years, it proved impossible to solve one single decisive international problem."

13. Regarding disarmament, Germany was the only country in history which had trustingly laid aside her arms, and the result had been that "they had been subjected to greater degradation than was even inflicted on the chiefs of a Sioux tribe."

"I assure you, Mr. Roosevelt," said the Fuehrer, "I am steadfastly determined today that not only now but at all future times, no German will ever enter a conference defenceless, and at all times, and for ever, German negotiators shall have behind them the united strength of the German nation—so help me God!"

14. The President believed in conference rooms as in courts and it was necessary for both sides to enter in good faith assuming that substantial justice should accrue to both sides, but "Grerman representatives will never again enter into a conference that for them is a tribunal, for who is to be the judge?"

15. The President believed that the cause of world peace would be greatly advanced if the nations of the world gave a frank statement regarding the present and future policy of their governments, "but I have already done this in innumerable public speeches. I must, however, decline to give such explanation to anyone esle than to the people for whose existence and life I am responsible. However, I give the aims of German policy so openly that the entire world can hear them in any case. But these explanations are without significance for the outside world so long as it is possible for the press to falsify and regard as suspect every statement."

16. The President seriously believed that the cause of international peace could really be furthered if he (Hitler) were to make to the nations of the world a public statement as to the present policy of the German government, but "I would obviously never presume to address such a request to the President of the United States, because I assume that he would rightly consider such a presumption tactless."

17. The President said that he would communicate the information received by him concerning the political aims of Germany to the other nations now apprehensive as to the meaning of Germany's policy, but "how has Mr. Roosevelt learned which nations consider themselves threatened by German policy and which do not."

18. "I have taken the trouble to ascertain from the States mentioned, firstly, whether they have felt themselves threatened, and secondly, and above all, whether this inquiry by the American President is addressed to us at their suggestion or at any rate with their consent. Their reply was in every case negative—in some cases strongly so. It is true that I could not cause inquiries to be made of certain states and nations mentioned because they themselves, for example Syria, do not possess freedom but are occupied and consequently deprived of their rights by the military agents of the democratic states. Apart from this, however, all the states bordering Germany have received much more binding assurances than President Roosevelt has asked from me in this curious telegram."

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DRAWING the attention of President Roosevelt to "one or two historical errors," Herr Hitler said that he had just read the speech of Mr. Eamon de Valera, in which the Prime Minister of Eire did not charge Germany with oppressing Ireland, but reproached England with subjecting Ireland to continuous aggression. Herr Hitler also referred to Palestine as being "at present occupied by England, robbed of her independence and suffering the cruelest maltreatment for the benefit of Jewish interlopers, while the Arabs are continuously appealing to the world and deploring the barbarous British methods."

Herr Hitler solemnly declared that the assertions about an intended attack on South American territory were "rank frauds and gross untruths."

Regarding disarmament, he said that he had only ordered German rearmament when his last comprehensive proposal concerning 300,000 men as the maximum-size army were turned down in 1934.

With regard to the proposals to hold world economic talks, he considered this as not so much a question of theoretical discussion, as in practice that of removing barriers.

After a reference to the dismemberment of Germany and her lost colonies, he said it would be a noble act if President Roosevelt redeemed the late President Wilson's promises.

Dealing with Anglo-German relations, he said that he had always expounded the idea of close friendship and collaboration between Germany and England during the whole of his political activity.

"When Germany became National Socialist, on my own accord I made a proposal for voluntary restriction of Germany's naval armaments. That restriction is based on the one condition, namely, the will and conviction that war between England and Germany will never again be possible.

"I am now compelled to state that the policy of England, both unofficially and officially, leaves me no doubt that such a conviction is no longer shared in London. On the contrary, the opinion prevails there that no matter in what conflict Germany should some day be entangled, Britain would have to take a stand against Germany."

Herr Hitler explained that his decision regarding the Naval Treaty was "not a matter of tactical military importance, but an action of self respect, for I still hope we shall be able to avoid an armaments race with England."

"I have never left room for any doubt," he continued, "of my belief that the existence of this British Empire is an inestimable factor of value for the whole human cultural and economic life.

"There is no doubt that the Anglo-Saxon people have accomplished immeasurable colonizing work in the world. For this work I have sincere admiration."

A general and lasting friendship between Germany and Great Britain, he continued, was only conceivable on a basis of mutual regard.

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"I have heard Mr. Chamberlain's statement that he was unable to put any trust in German assurances. In the circumstances, I consider it a matter of course that we no longer wish or expect him or the British people to bear the burden of the situation, which is only conceivable in an atmosphre of mutual confidence."

Herr Hitler recalled that when he came to power he had proposed to England a voluntary restriction of German armaments. That restriction, however, he said, was conditional on the will and conviction of the British and German people that war was never again possible.

"This wish and conviction," he went on, "are alive in me today. I, however, am now compelled to state that Great Britain's policy, both unofficially and officially, leaves no doubt about the fact that such a conviction is no longer shared in London and, to the contrary, the opinion prevails there that no matter in what conflict Germany should be entangled, Great Britain would always have to take a stand against Germany. Thus war against Germany is taken for granted in Great Britain.

"I most profoundly regret such a development, for the only claim I have ever made and shall continue to make on England is for the return of our colonies"

"I have always made it very clear," he said, "that this will never become the cause for a military conflict.

"Since England professes, both through the press and officially, to hold the view that Germany should be opposed in all circumstances and confirms this by a policy of encirclement, the basis for the Anglo-German Naval Treaty has been removed."

"Should Great Britain, however, wish to negotiate again with Germany on this subject, nobody would be happier than I at the prospect of coming to a clear and straightforward understanding."

Herr Hitler concluded by declaring that Germany was guarded by the best army in the world and the most powerful air fleet, while her coasts were unassailable by an enemy.

Shantung Bandits All Carried Japanese Rifles

THE bandit "army" in Shantung, which was responsible for wrecking the Blue Express and carrying some 30 foreign and more than 50 Chinese passengers into the mountains where they were held for more than a month, called itself the "The People's Self-Deliverance Army." All of the rifles carried by the bandits bore Japanese marks, indicating that Japanese gun-runners had done a lucrative business in that province.

The fact that the bandits carried Japanese-made rifles and one of the leading chieftains or "brains" of the gang had received his education in Japan, led many to think that the Lincheng Incident had been framed by the Japanese. The fact that a number of Japanese passengers, who had purchased through tickets to Peking, left the train at Nanking, allegedly after the receipt of a mysterious telegram, was regarded by some as conclusive evidence of Japanese connivance in the affair.

Aside from the foregoing evidence, admittedly circumstantial, there was a belief in diplomatic circles in Peking that there was an undoubted political element involved in the incident due to a desire to discredit and split the Northern or Chihli-Anfu faction which then controlled all of China from the Great Wall to the border of Chekiang south of Shanghai. But whether or not the Japanese had an actual hand in framing the incident, it fitted in well with their program of discrediting the action of the United States, Britain and the other Powers in returning Shantung to the control of the Chinese authorities.

Shantung province had long been a center of domestic and external intrigue. The Germans had controlled the province from their "capital" or Far Eastern headquarters at Tsingtao, which they had seized from China on Nov. 14, 1897. They had seized Tsingtao in retaliation for the alleged murder of two German missionaries by bandits in the interior of the province. It was said that the Germans had secretly surveyed the Kiaochow Bay area in advance and had "staked out" this port long before the bandits committed the crime which provided justification for the seizure of the port by the Kaiser's Fleet.

The Germans quickly transformed Tsingtao from a primitive fishing village into a modern city, the most modern and attractive on the China coast. But when the World War broke out in 1914 all their work came to naught because Japan, acting under the terms of her treaty of alliance with Great Britain, launched a naval attack on the port. Unable to occupy the well-fortified base by frontal attack, the Japanese invaded Chinese territory to the rear and finally forced the little German garrison to surrender and submit to internment for the duration of the war.

The Japanese then proceeded to convert Shantung into a Nipponese preserve, extending their control far beyond the original German "sphere." They were in actual control of the province for a period of eight years, the length of their stay corresponding to their present occupation of Manchuria—1931 to 1939—and four times as long as their present occupation of the seaboard and Yangtsze provinces.

The Japanese Army was compelled to withdraw from Shantung and surrender military and political control of the province as a result of pressure brought at the Washington Conference in 1921-1922.

But while there was a withdrawal of military and political control, there was no withdrawal of economic interests which had gained a foothold during the occupation. The Shantung Railway, originally built by the Germans, was returned to the Chinese authorities to operate as part of the Government lines, but the Japanese held a mortgage against it for some 53,000,000 gold marks.

Conditions in Shantung continued disturbed for several years following the withdrawal of the Japanese forces. One military governor, Gen. Chang Chung-chang, once shot all of the newspaper editors and judges in his provincial capital because of their opposition to some of his illegal regulations. Banditry flourished and, as stated in the foregoing, the bandits all carried Japanese rifles, with which they probably had been provided during the eight years of Japanese occupation. Opium and morphine flourished, as is the case in most Japanese-occupied territory at present.

A further instalment of the diplomatic correspondence concerned with the Lincheng bandit incident, appears in the following pages of this issue of *The Review*. The first instalment appeared on April 15.

Censorship and Conditions "Inside of Hongkong Itself"

The following article, signed "By a Sailor in the Fleet," appeared in the London Tribune, Labor publication, on March 24, 1939:

Hong Kong is often in the news these days because of its close proximity to the Japanese Fascist aggression in China. But we hear little or nothing concerning the inside of Hong Kong itself. To hold a mirror up to this British colony is to get reflected all the horror, degradation and foulness which imperialism can inflict on a subject people.

In Hong Kong today 20,000 destitute Chinese men, women and children sleep on the pavements, according to a St. John's Ambulance Brigade survey.

Overcrowding in the Chinese districts forms one of the worst features of conditions in the colony. To obtain a "bed space" (i.e., a boarded bunk, situated in an often unventilated room, which may be used by two or three persons in the course of 24 hours), is a "luxury" for a Hongkong worker. The sanitary arrangements in these dwellings are often of a very rudimentary nature; while tuberculosis, arising directly out of the bad conditions, is prevalent.

The infantile mortality rate in the Chinese districts runs into well over 200 per 1,000 births.

The system of "mui-tsai," or child servants, about whom such a fuss was made a few years ago, still exists in Hong Kong. It is true that by law they must be registered, but this merely puts the official seal on the practice.

Begging is such a common sight in Hongkong (although declared illegal) that to give to every beggar would speedily reduce one to the same status.

Many of those begging are young boys and girls—the latter often carrying small children on their backs. A young lad, arrested recently for begging, was found to be one of a family in which the total income brought in by the father, a tailor, was $10 per month ($1 equals 1/3).

What is responsible for these conditions—really only briefly told here? Some may say that the influx of refugees due to the Sino-Japanese hostilitites is largely responsible. But this would not be true as, to the writer's knowledge, such conditions existed at least seven years ago.

Imperialism is responsible, for wherever one goes in the world among the natives of any colonial empire such conditions are found.

The Government of Hong Kong has interned some 800 of their fellow-countrymen as prisoners of war because, whilst fighting for their country, they were driven into, or inadvertently entered, "British" territory. They have seen the spectacle of one of these prisoners being "shot whilst attempting to escape," and of the re-arrest of some others who actually got away.

They are told they may form trade unions, yet have seen the arrest of some of their fellows who recently tried to form a Chinese Seamen's Union.

They have knowledge of the fact that no Chinese newspaper in the colony may publish "(a) anything subversive to the British Empire; (b) anything likely to damage Hong Kong's relations with friendly powers; (c) *Communistic doctrine*; (d) *matter likely to incite breaches of peace and good order in Hong Kong*; (e) indecent matter in contravention of Ordinance No. 15 of 1914."

And they know that when the Japanese bombing of Hong Kong territory took place recently, the vernacular paper then published jointly by all the Chinese newspaper owners was prohibited from printing the following day a true and detailed account of what took place.

It is clear that against such odds the Hong Kong Chinese need some help. The British Labor Movement should demand the end of the newspaper censorship, the freeing of the interned Chinese soldiers and of the arrested Seamen's Union organizers; and should send practical assistance to the Chinese workers in the formation of urgently needed trade unions.

State Department Correspondence

The Famous Lincheng Bandit Coup of 1923

(Continued from Last Issue)

The Minister in China (Schurman) to the Secretary of State

PEKING, *June 29, 1923—1 p.m.*
[Received June 29—7:53 a.m.]

242. Your 121, June 23, 3 p.m., last sentence. My 234, June 22, 10 a.m. Major Allen has increased demand for indemnity in behalf of self, wife and son to $150,000 gold.

Holcomb, formerly United States district attorney, Shanghai, who is acting as counsel for four other American victims of Lincheng outrage now in Shanghai has come to Peking to consult Legation regarding their claims and informs me his clients intend to demand $150,000 gold each as exemplary damages.

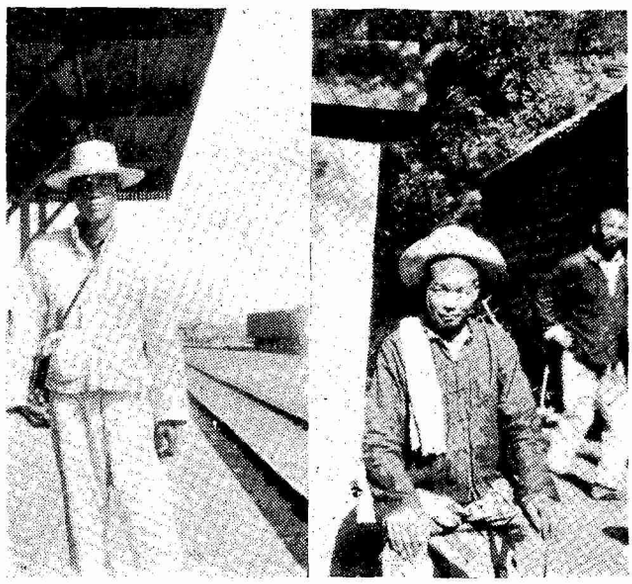
SCHURMAN

The British Charge (Chilton) to the Secretary of State

No. 546 MEMORANDUM

His Britannic Majesty's Chargé d'Affaires presents his compliments to the Secretary of State and, with reference to the memorandum from this Embassy dated June 19th and to the telegram from His Majesty's Minister at Peking, copy of which was left with Mr. MacMurray by Mr. Craigie on the 22nd instant, has the honour to inform Mr. Hughes that the Committee appointed by the Diplomatic Body at Peking to deal with the question of the outrage by brigands on the Tientsin-Pukow Railway, have now completed their draft note to the Chinese Government.

Bandit Types



Two unusual types of Shantung bandits: The one on the left, dubbed "Russky" by the foreign captives, was a Shantung coolie who had gone to Siberia and worked on the docks at Vladivostok, where he had learned to speak Russian. After the release of the captives, "Russky" deserted the bandit gang and came to Shanghai where he planned to earn an "honest" living.

The bandit on the right, a minor chieftain, had the reputation of being able to smoke more opium than any other man in the camp.

The demands are framed under three heads:—

1. Compensation subject to agreement between His Majesty's Government and the United States Government as to the inclusion of (*b*),

2. Guarantees for the future:—

(*a*) A declaration which commences by recalling the terms of Article 10, Annex 16, of the final protocol of 1901 and states that the Diplomatic Body will demand that the penalties therein prescribed be summarily imposed on military governors or other officials controlling troops who fail to protect foreigners against banditry. If considered necessary the Diplomatic Body will send their own representatives into provinces in which brigands are prevalent to examine and report on conditions there. The Diplomatic Body reserve the right of excluding such guilty officials from the protection of settlements and concessions in treaty ports.

(*b*) The Diplomatic Body have decided that existing measures for the protection of the railways are inadequate and that it is their duty to help the Chinese Government to carry out certain necessary reforms which, in their opinion, should consist in the reorganisation of forces of special Chinese police who would be placed under the control of foreign officers. The Diplomatic Body reserve the right, after a more considered study of the question, to present their scheme when elaborated to Chinese Government. (This delay will enable the scheme to include provision for foreign control of accounts of management if agreement can be reached between Powers).

3. Sanctions.

The note will ask that punishment of various officials from the military governor of Shantung downwards, according as they vary in degrees of responsibility for the outrage, be decided by the Diplomatic Body. The note goes on to say that punishment of a few individuals is not a sufficient sanction for the incident and, in order to reassure foreigners who are anxious in regard to their future safety for which the Chinese Government is responsible, the Diplomatic Body have decided to demand immediate settlement of certain questions which have long been in suspense and which are of equal importance for the nationals of all the Powers as for the development of China, viz., (*a*) the extension of the international settlement of Shanghai, (*b*) the extension and improvement of the harbour at Shanghai, (*c*) the maintenance of the Whangpoo Conservancy Board agreement, (*d*) the reorganisation of the Mixed Court.

In the Bandit Camp

Section of the narrow stairway chiselled in the crevice or "chimney" which led to the bandit stronghold on the top of Mount Paotzeku in southern Shantung where the foreign and Chinese captives were held. This stairway extended up the most precipitous part of the mountain for a distance of about 500-feet.

The note concludes by the declaration of the intention of the Diplomatic Body to obtain from the Chinese Government the above mentioned indemnities, guarantees and sanctions in satisfaction of the brigand incident.

There is no doubt that all non-Asiatic foreigners residing in China are very seriously alarmed at the condition of affairs of which the recent brigand outrage is the climax, and, in the opinion of His Majesty's Minister at Peking, they will probably consider the demands included in the draft Note as minimum both as regards guarantees for the future and as satisfaction for the incident. The prestige of foreigners in China has undoubtedly fallen since the

war, for various reasons, and strong measures are required to re-establish that prestige.

His Majesty's Government approve the draft Note to the Chinese Government with the exception of the demand for the settlement of the four Shanghai questions. In their opinion these questions should be omitted as being irrelevant to the main question of the safety of foreigners and their inclusion would confuse the issue and would expose the Powers to the charge of attempting to exploit the occasion for the purpose of obtaining a favourable settlement disconnected with the main question at issue and a thereby be provoked which may easily precipitate the Powers into commitments greater than those which they at present contemplate. It is extremely difficult to suggest any methods of pressure of a financial or economic character, and in view of the danger of an outburst of public feeling His Majesty's Government are therefore prepared to take part in a naval demonstration, and the question of a possible increase in the North China garrison is being considered by the War Office. His Majesty's Government are, however, averse from the idea of stationing troops in other Treaty Ports and also from the military occupation of railways other than the

Some Bandits and Their "Esteemed Guests"

Upper left—**the man with his arm over the shoulder of one of the foreign captives was the No. 1 Chieftain of the gang, Sun Mei-yao, who was later executed by the Shantung provincial authorities together with several hundred of his followers.** *Left center*—**Mr. Berube, an official in the Salt Gabelle, who was the only Frenchman among the captives. He is standing alongside the "bandit express," which transported food to the captives on behalf of the American Red Cross.** *Lower left*—**the man on the left, one of the leading chieftains, allegedly had once been convicted in the French Concession at Shanghai for throwing bombs.** *Upper right*—**one of the foreign captives surveys the distance from the top of Mount Paotzeku to the plain below, almost a sheer drop of a thousand feet.** *Lower right*—**within this tiny valley, completely concealed by trees and shrubbery, was the 600-year-old ruined temple where the captives were confined for most of the time. Some of the captives were taken to the dug-out on the top for a brief period.**

doubt would thus be cast upon the sincerity of the motives of the Powers.

That the Powers cannot expose themselves to a rebuff from the Chinese is obvious, and it is equally clear that the situation calls for firm action. The Powers must therefore be prepared to take such measures as will ensure the acceptance of their minimum demands for the future protection of the lives and property of foreigners in China. If a united policy is adopted by the Powers, and especially by the United States, Japan and Great Britain, and if they are prepared to enforce that policy there is little doubt in the mind of His Majesty's Government that the Chinese will yield long before it becomes necessary to exercise coercion.

There is every probability that, unless the Powers are determined to exact some real guarantees, incidents similar to the recent bandit outrage will recurr and an outburst of public feeling would

employment of foreign soldiers as guards on trains, should the Diplomatic Body consider this course desirable.

As an alternative to military occupation, His Majesty's Government propose, however, that, if necessary, the Powers might inform the Chinese Government that unless they undertake to establish a special Chinese railway police force under foreign officers the question of the establishment of such a force by the Powers themselves will have to be considered, the expenses to be defrayed out of Chinese sources.

In spite of the very special British interests in the Tientsin-Pukow Railway, His Majesty's Government would be reluctant to act alone but in view of the already excited state of public opinion in the United Kingdom the situation might well develop to a point where, in view of the growing danger to British lives and property, it would be difficult for His Majesty's Government to remain passive.

In communicating the above views of His Majesty's Government to the Secretary of State, His Majesty's Chargé d'Affaires is instructed to enquire whether the United States Government agree to the demands as modified and whether they would be prepared in the last resort to enforce them by cooperating in the application of the measures suggested in this communication.

His Majesty's Chargé d'Affaires would be grateful for an early expression of the views of the United States Government on the subject.

WASHINGTON, *June 30, 1923.*

The Secretary of State to the Minister in China (Schurman)

WASHINGTON, *July 2, 1923—5 p.m.*

133. Your 235, June 22, 4 P.M.

Department perceives no objection to categories of indemnities designated 1, b and c your telegram. Department considers that before agreeing to indemnities of category 1 Consuls should exact convincing evidence of accuracy of allegations of loss of baggage and other property. Department considers that proof of relief expenses under category c should be exacted.

Legation may acquiesce in proposal regarding separate presentation of claims for indemnities for loss of earnings, bodily injury, death and diminution of earning capacity. Your 234, June 22, 10 A.M. indicates tendency to make exorbitant claims. Legation should exact convincing evidence in support of allegations of oss or injury.

HUGHES

The Secretary of State to the British Charge (Chilton)

The Secretary of State presents his compliments to the British Chargé d'Affaires, and is pleased to state his general concurrence in the principles set forth in the Embassy's memorandum (No. 546) of June 30, 1923, in reference to the draft note prepared by the committee of the Diplomatic Body at Peking with a view to its presentation to the Chinese Government in connection with the recent bandit outrage on the Tientsin-Pukow Railway.

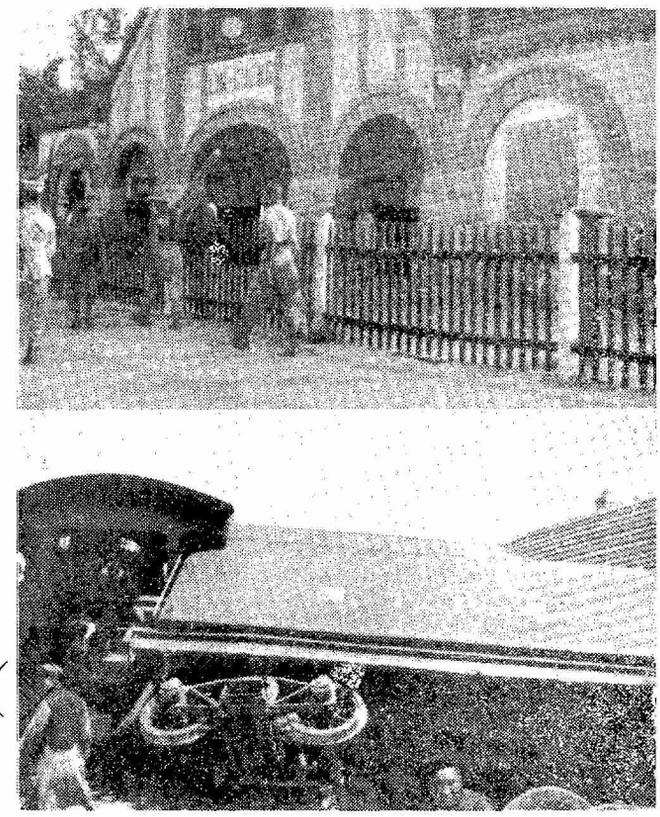
The American Government regards with the utmost anxiety the situation of danger, not only to the just treaty rights and interests of its nationals, but to the personal security of its citizens resident in China, which has come to exist in consequence of the breakdown of governmental authority in that country, and the weakening of the sense of responsibility on the part of those elements to which the Treaty Powers are entitled to look for the protection of foreign lives and interests. In the recent Conference at Washington, the various Powers possessing interests in China found themselves unanimous in the policy of affording her the fullest and most unembarrassed opportunity to develop and maintain for herself an effective and stable government, and to that end pledged themselves to certain action in specific matters. The course of political development in China since the Conference has thus far, however, been a disappointment to those who had hoped that a fuller measure of opportunity for independent development would hasten the evolution of a more normal and orderly internal administration of the country and make possible the establishment of a governmental entity capable of fulfililng the international obligations correlative to the rights of sovereignty which the Conference had recognized and sought to safeguard for China. The recent bandit outrage at Lincheng affords evidence such as cannot be ignored, that the present unfortunate political disintegration in China involves a failure of appreciation, on the part of the Chinese officials, of their definite responsibilities with respect to the safety and the interests of those sojourning in China under the protection of the Treaties. And it appears to this Government, as to the British Government, necessary that measures should be adopted by the Powers to recall those officials to a sense of their obligation and responsibility in this regard.

With reference to the four proposed demands for the settlement of Shanghai questions, this Government is gratified to note that the British Government recognizes the irrelevancy of these matters to the main question at issue—the security of foreign life and property in China—and the likelihood that the presentation of such demands would confuse that issue and arouse suspicion of the sincerity of the Powers. Instructions of substantially identical tenor with the views set forth in the Embassy's memorandum had already been transmitted to the American Minister in Peking.

This Government is also in full agreement with the view that the Powers should not expose themselves to a rebuff from the Chinese Government, and that they must be prepared to take such measures as will insure the acceptance of their minimum demands. It appears, in fact, to this Government that the elaboration of a definite program of action in the event of the Chinese Government proving unresponsive to the demands which will be made is fully as important as the formulation of those demands, as the situation would be aggravated unless the Powers were in a position to exert prompt and effective pressure upon the Chinese Government.

With reference to the choice of method for the purpose of achieving the desired end, this Government frankly doubts the efficacy of a naval demonstration as suggested in the Embassy's memorandum: the familiarity of the Chinese with the presence of foreign vessels of war in their ports, coupled with the necessary limitations and the vagueness of action involved in such a course, appear to this Government likely to render such a demonstration ineffective as a means of obtaining the acquiescence of the Peking Government in such demands as may be made. In expressing this view, however, it is not intended to close the door to the discussion of any more concrete plan of concerted naval movements which might appear feasible and suitable to the purpose of impressing upon the Chinese the seriousness with which the foreign Powers regard the state of affairs which has come to exist in China. This Govern-

Scene of Lincheng Coup



Top—where the incident occurred, the little railway station at Lincheng in southern Shantung, was only about 8 miles from the place where the bandits derailed the Blue Express and kidnapped the foreign and Chinese passengers.

Below—overturned engine and tender, caused by a loosened rail. Fortunately the train was proceeding slowly and none was injured as a result of the derailment.

ment, moreover, has not yet abandoned the hope that, out of the discussions now taking place in the Diplomatic Body, some plan may be devised which will commend itself for the purpose in view by its relevancy to the principal issue, its practicability, and its promise of exerting the requisite pressure upon the Chinese.

As regards possible methods of exerting financial or economic pressure, this Government has inquired the views of its Minister in Peking as to the possible advisability of the withdrawal of recognition of the present Chinese Government, or the withholding of recognition from any new Government, that may seek to assume power in the present political crisis, in the event of a refusal to acquiesce in any such demands as may be agreed to by the Powers—such non-recognition to involve a suspension of releases of customs and salt surpluses. While hopeful that other means may suffice to induce the Chinese authorities to take the steps requisite to bring about normal conditions of order and security, without necessitating recourse to so drastic a form of international action, the American Government suggests that the possibility of the eventual discontinuance of recognition to the Chinese Government should be explored with a view to determining whether it would in the final resort prove effective as a means of pressure; and it would be pleased to learn the views of the British Government upon this subject.

WASHINGTON, *July 9, 1923.*

The Secretary of State to the Minister in China (Schurman)

WASHINGTON, *July 9, 1923—6 p.m.*

138. Your telegram 226, June 15, 6 p.m.

[Here follows a summary of the memorandum of June 30 from the British Chargé printed on page 671, and of the Secretary's note of July 9 to the British Chargé printed *supra*.]

On July 7th, Counselor of Japanese Embassy called on Chief of Division of Far Eastern Affairs to discuss British suggestions which appear to have been communicated to Japanese Government substantially as in the memorandum of June 30 to this Government. While it was emphasized to him that detailed discussions and negotiations on this subject must be centered in the Peking Diplomatic Body, the general attitude of this Government was explained to him as set forth in the above summary of reply to the British memorandum and in so much of Department's telegram No. 121, June 23, 3 p.m., as relates to proposed railway police.

Japanese Counselor said that his Government's inquiries in London had elicited no concrete plan for suggested naval demonstration, and that his Government did not favor such a demonstration which might require landing of forces and lead to further complication of the situation.

As to proposed railway police he said his Government in response to inquiries had been advised by British Embassy in Tokyo that British Government's plan contemplates "Foreign officers would presumably be under the Chinese authorities to the same extent as foreign employees in Salt gabelle, etcetera. To insure essential coordination and the regular allocation of funds for the police budget it would seem very desirable to secure appointment of foreign accountants-in-chief and possibly traffic managers associated with Chinese and endowed with properly prescribed functions." He stated that his Government would be favorably disposed towards such a plan on the assumption that the choice and distribution of foreign officers would be arranged fairly and with a view to effective results. He said Japanese Government did not favor the British suggestion that railway police might be organized by the foreign Powers in the event of the Chinese authorities failing to do so, as it questions whether such interference in Chinese affairs would be consistent with Washington Conference Treaties.

He said that his Government had not expressed itself on the Shanghai demands, but had merely advised the Embassy that the British Foreign Office did not favor them.

Repeat as No. 69 to Tokyo which it is assumed you are keeping adequately advised of main lines of discussion on this subject.

HUGHES

The Minister in China (Schruman) to the Secretary of State

PEKING, *July 16, 1923—7 p.m.*
[Received July 16—6:43 p.m.]

261. My 241, June 29, 10 a.m. Committee met today and completed draft of note to the Chinese Government which will now be reported to diplomatic body for appropriate action. The only important modification since the omission of the Shanghai demands was the raising of the indemnity for loss of liberty and hardships suffered by the captives as follows: $500 silver per captive per day for the first 3 days, $100 a day for the next week, $150 for the next, $200 for the next, $250 for the next, $300 for the next. For the life of the Englishman $20,000 silver was demanded.

Committee have thought it best to drop altogether the subject of progressive sanctions. This decision was due on the one hand to the impossibility of finding any suitable substitute for the Shanghai demands and on the other hand to a relaxation of feeling in the minds of the Ministers who in early June were most insistent in urging this penalty.

I brought up at the end the question as to what measures should be taken to insure acceptance of the demands made by the diplomatic body in case the Chinese Government should prove unresponsive thereto as discussed in your number 138, undated, received July 11, 9 a.m. The French Minister thought it would be unwise to elaborate a definite program of action in advance and believed we should be in a better position to deal with the matter when we had learned reaction of the Chinese Government. I ventured the opinion that the Chinese Government could be brought to the acceptance of the demands contained in our note through ordinary diplomatic pressure and that the real difficulty would be over the problem of the reorganization of the railway police force under foreign officers which is reserved for a future communication. This view was generally concurred in though the opinion was also expressed that the Chinese would not take favorable action without some delay.

This afternoon Japanese Chargé d'Affaires (the new Minister is to arrive tonight) called on me to discuss further the subject of railway police with respect to which he had hastily indicated to me his Government's views before the committee meeting this morning. It is clear to me that while not formally opposing in principle the British program, the Japanese Government views it with suspicion. The Japanese representative here will, I venture to predict, be found supporting the French Minister's proposal of leaving railway police under Chinese control but subject to foreign inspection and report.

On the merits of the case I must add that this latter program has much in its favor. In the first place it does not relieve Chinese Government of full responsibility for protection of foreigners traveling on railways and, secondly, it does not assume as the British proposal seems to assume that traveling would be safe if only foreign officers were given supreme command of Chinese railway police, whereas, in my opinion, dangers of travel in China will not be greatly reduced till bandits are suppressed in the provinces. In this connection I may report that French Minister some time ago observed to me that in his opinion and that of the Chinese experts in his Legation the plan of sending foreign experts to the provinces to report what the tuchuns are doing for the suppression of bandits which the committee adopted on my recommendation is likely to prove the most helpful and constructive feature of committee's note.

Japanese Chargé d'Affaires told me this afternoon that his Government desired that the subject of railway police should be worked out by the diplomatic agents here. I replied that I believed that was also the view of my Government, which, however, favored in principle the British proposal subject of course to the understanding that its application would be limited to the protection of travelers and not embrace any ulterior objects. I had previously cited to him your attitude in the Shanghai matter as proof of your insistence that the diplomatic body should limit itself exclusively to the object under contemplation, namely, the prevention of future Lincheng outrages.

Committee decided to postpone further consideration of railway police problem till British Minister who [went ?] to Pehtaiho a week ago could be present.

SCHURMAN

The Secretary of State to the Minister in China (Schurman)

WASHINGTON, *July 24, 1923—3 p.m.*

147. Your number 261 July 16:7 P.M.

With reference to elaborating a program of action in the event of the Chinese Government proving unresponsive to the demands of the Diplomatic Body, the Department cannot but feel that it would be hazardous to present a note containing the minimum demands of the Powers without at least having thoroughly explored beforehand such measures as may seem practicable and capable of exerting the requisite pressure upon the Chinese, although it may not be necessary to go so far as a definite agreement to undertake any specified course of action.

Concerning the organization of a force of railway police, it is not the understanding of the Department that the Chinese Government, because of the organization of such a force, is in any degree to be relieved of its full responsibility for the protection of foreigners traveling on railways, or that foreign officers are to be placed in "supreme command" thereof. With reference to the statements made to you on this subject by the Japanese Chargé and his apparent misapprehension of the British proposals, you are referred to that portion of the Department's telegram No. 138 July 9:6 P.M., dealing with the conversation between the Japanese Counselor and the Chief of the Division of Far Eastern Affairs on the subject of railway police. In the light of its present information, the Department is of the opinion that there is no essential difference between the British proposals concerning railway police, and the French proposals as outlined by you, the basic idea being that foreign officers are to be employed in association with officials of the Chinese Government in a manner similar to that followed in the Customs and Salt services.

With reference to your telegram No. 257, July 13:10 A.M., it is not the Department's view that the withdrawal of recognition from the Peking Government would involve withdrawing from Peking the Legations, which would continue to function for the maintenance of *de facto* relations with the Chinese authorities, for the transaction of business among themselves, for the direction of their respective Consular services, and for the exercise of such protection of their national interests as might be possible under the circumstances.

With reference to your despatch No. 1571, May 29th, the War Department, to whom a copy of your despatch was transmitted, has replied—

"The War Department desires to furnish whatever additional troops the State Department may deem necessary during the present emergency in China. If only a small reinforcement is needed and that only for a comparatively short time, then it would probably be advisable to send the third battalion of the 15th Infantry from the Philippines. But if a larger force were needed, or if it appeared likely that the additional troops would have to remain in China for a considerable time, then the reinforcement would probably have to be sent from the United States.

Therefore, should the despatch of reinforcement[s] be deemed necessary, I would ask that formal request be made by the State Department indicating its desire for additional troops and the mission they are to perform."

In view of these circumstances, the Department is not inclined to request the War Department for the despatch of additional troops at the present time unless you consider reinforcements to be absolutely necessary.

HUGHES

(*To be Concluded next week*)

Peace Rumors Subside, But Wang Is Still Active

WITH peace rumors subsiding following a vigorous reaffirmation by Gen. Chiang Kai-shek of China's determination to continue resistance, the activities of Wang Ching-wei are being intensified. Wang seems determined to carry through his program, apparently aimed at the speedy collapse of China's defence and conceivably the establishment of a new puppet regime with himself at the head.

It has been rumored for some time that Wang secretly arrived in Shanghai, but there has been no confirmation. The Japanese were largely responsible for the report by circulating a message through their *Domei* agency that Wang has definitely left Hanoi "for an unrevealed destination". Whether this destination was Shanghai, Nanking or some other Japanese-occupied city, was left a matter for conjecture.

Another report appeared in the *Morning Leader*, Chinese daily in Shanghai, last week, alleging that Wang had not only arrived in Shanghai but had concluded an important deal with a representative of the Tokyo War Office, the important points in the alleged agreement including:

Terms of Alleged Agreement

1. Japanese miltary operations in China not to cease until the capture of Hengyang (Hunan), Sian (Shensi) and Kweilin (Kwangsi).
2. A "Federal Government of China" to be organized by Wang Ching-wei with recognition accorded it by Japan, Italy and Germany.
3. The "Federal Government" to organize 12 "Anti-Communist and Chiang Kai-shek Suppression" armies with Wang Ching-wei as Commander-in-Chief.
4. With the organization of the "Federal Government," the existing regimes to be reorganized as follows: (a) the "Provisional Government" in Peiping to be reorganized into the "North China Federal Self-Government," (b) the "Reformed Government" into the "East China Federal Self-Government"; (c) after the capture of Sian and the occupation of the entire Canton-Hankow Railway, a "Northwest Federal Self-Government," a "Central China Federal Self-Government," and a "South China Federal Self-Government" to be organized at Sian, Hankow and Canton respectively; (d) the capital of the "Central Federal Government of China" to be located at Peiping or Nanking, according to the decision of the Tokyo Government.
5. The "Central Federal Government ofChina" to be granted a monthly allowance $30,000,000 by the Japanese Government of with the consolidated taxes as secuirty.

Tokyo Visit Hinted

In order to implement this agreement by further negotiations, Wang allegedly was asked to visit Tokyo. It was said that in case Wang decided it was inadvisable to go, Prince Konoye, former Japanese premier, and Gen. Eiki Tojo, former vice-war minister, would come to Shanghai to confer with him.

In connection with Wang's activities locally, his followers are reported to have organized a "Min Kuo News Agency" and the "Far Eastern Daily News" for dissemination of peace propaganda. Meanwhile, with funds supplied by the Japanese, they are also planning to organize a puppet army, called the "Peace and National Salvation Army."

Wang's advocacy of peace with Japan has already aroused intense nation-wide indignation. Evidence that Wang's peace move has found no support in either Free China or the occupied areas is provided by a manifesto issued by the North China National Salvation Association, composed of Chinese bankers, businessmen, and educational leaders in Peiping and Tientsin. The manifesto, which reached Chungking only recently, took Wang to task for his December 26 telegram and condemned him roundly as a traitor to the country. The manifesto declared in part: "We must expose Wang Ching-wei's treacherous actions. Wang's proposal, we understand, is made in response to the Konoye statement. The only difference between the two is that one is made by the invader, the other by one willing to become a slave." The message warned against any compromise with Japan and urged the continuance of the war of resistance.

In sharp contrast to the shameless and dastardly activities of Wang Ching-wei are the valiant efforts of patriotic Chinese leaders in and around Shanghai who displayed an almost quixotic disregard for their personal safety. The reported capture by the Japanese Gen. Hsiung Chien-tung, commander of the guerrillas operating in the Shanghai area, constitutes an example which puts Wang and his cohorts to shame.

According to reports in both the Japanese and Chinese press, Gen. Hsiung, prior to his arrest by the Japanese, had been the directing genius of the guerrilla activities in Shanghai. A native of Chekiang, 38 years old, Gen. Hsiung was educated in the United States (he studied at the Ohio University) and in Japan. Following his return to China, he spent several years in military service, under Gen. Pai Wen-wei and Gen. Chen Chi-tang. Upon the outbreak of the war in Shanghai, he joined the Chinese defence and took an active part in the fighting. After the withdrawal of the Chinese forces, he was appointed commander of the guerrillas operating on the outskirts of Shanghai.

Commanding a force of 20,000 guerrillas armed with latest types of riffles and machine-guns, Gen. Hsiung engaged the Japanese forces in four major battles during a period of five months form last August to December. According to a Japanese report, Gen. Hsiung was also responsible for a series of terrorist activities culminating in the assassination of many puppet leaders in Shanghai.

For some time, the Japanese secret service had been following his movements but could not ascertain his actual whereabouts. Early in March, Gen. Hsiung was discovered to have erossed the Whangpoo from Pootung and to have registered at a hotel in the French Concession, with the intention of purchasing new weapons for his army. Through the efforts of some White Russian, it was said, the Japanese gendarmerie succeeded in contacting Gen. Hsiung and luring him to an address on Brenan Road, where an arms deal was to be concluded. March 8 was appointed as the day for the conclusion of the deal. Alert and vigilant, Gen. Hsiung, in order to foil

Students Give Money to the Government

These pictures, which have just arrived in Shanghai, show students in Kweilin, capital of Kwangsi province, contributing money and valuables to swell China's war chest. The movement for voluntary contributions is nation-wide.

a possible Japanese trap, paid a private visit on March 7, at the Brenan Road address. But the Japanese were prepared for him and as soon as he appeared, he was reported to have been placed under arrest and taken to the Japanese headquarters in the Western District.

Since Gen. Hsiung's arrest, various reports have been circulated, greatly to the effect that he had been court-martialled and executed by the Japanese. But last week the *Tairiku Shimpo*, Japanese newspaper published in Hongkew, which first revealed the story, reported that Gen. Hsiung is still alive and imprisoned in the Japanese gendarmerie headquarters. Apparently the Japanese are attempting to win Gen. Hsiung over and to utilize him for anti-guerrilla activities in Shanghai

The *Tairiku Shimpo* also claimed that besides Gen. Hsiung, the Japanese had arrested five others, including Chen Yu-wen, chief secretary, Kao Yun-shan, Yuan Ming-ping and Ma Chu-yun, officers in charge of recruiting for Gen. Hsiung in Shanghai.

Returning from his tribute-bearing visit to Tokyo, "Mayor" Fu Siao-en was greeted with the news that his fellow-citizens in his native city, Chinghai, near Ningpo, had petitioned the Chekiang Provincial Government, asking that all his properties be confiscated and disposed of in order to raise money to swell the war chest. Fu was described in the petition as a "bad horse" whose meat the people wish to eat and whose skin they wish to sleep on.

French Town Flag Accord

In connection with the "flag incident" in the French Concession in Shanghai, an agreement has been reached between the French Municipal Council and the Chinese Ratepayers' Association in the Concession, permitting the display of Chinese national flags on the following eight Chinese holidays:

January 1: New Year and the anniversary of the inauguration of the Chinese Republican Government in Nanking in 1912.

March 12: The anniversary of Dr. Sun Yat-sen's death in Peiping in 1925.

March 29: The Canton Martyrs' Day, commemorating the death of the 72 revolutionaries in the Canton Uprising on that day in 1911.

May 5: The anniversary of Dr. Sun Yat-sen's assumption of his post as the Extraordinary President of China in Canton to oppose the northern warlords. (Incidentally, it is also the anniversary of the signing of the Sino-Japanese truce in Shanghai in 1932).

July 1: The anniversary of the establishment of the National Government in Nanking.

August 27: The birthday of Confucius.

October 10: The Chinese National Day, marking the 1911 uprising in Wuchang which resulted in the overthrow of the Manchu Dynasty.

November 12: The birthday of Dr. Sun Yat-sen.

The 226 Chinese flags seized by the French Police have also been returned, thereby effecting an amicable settlement of the incident.

Through their Nanking puppets, the Japanese have bitterly denounced the agreement and charged the French Municipal Council with bad faith.

Quo Predicts Peace

Heartened by the growing indications that the democracies intend to resist aggression in the West, Dr. Quo Tai-chi, Chinese ambassador in London, speaking before China Relief Committee meeting in Manchester, predicted that in another year's time whether there be an international war or not, "we will see signs of a peaceful settlement in the Far East." Dr. Quo cited as influences contributing to this settlement President Roosevelt's order for the transfer of the American Fleet to the Pacific and the promise of Premier Neville Chamberlain to consider including China in the democratic front to resist aggression. Another factor, the Chinese envoy pointed out, was that the Japanese people were beginning to get weary of the war. However, the Japanese militarists would not give up their designs of conquest yet. In the meantime, Dr. Quo emphasized, the Chinese people would carry on the fight with redoubled energy.

Deploring the decline of Great Britain's position as a world empire, the *Morning Leader*, Chinese daily in Shanghai, attributed

Oath of Loyalty

Top picture shows Gen. Pai Chung-hsi, Vice-Commander of the Fifth Route Army in Kwangsi and Director of the Generalissimo's Provisional Headquarters in Kweilin, addressing a gathering of officers who (below) are seen with upraised hands taking the "Citizens" Anti-Enemy Oath."

it largely to her policy of appeasement in Europe and Asia. Recalling Britain's defence of Japan's aggression in Manchuria in the League of Nations by Sir John Simon, the paper remarked that Britain had supported Japan in the latter's conquest of Manchuria, but what she received in return was the expulsion of her own commercial interests form the Northeastern provinces. The Japanese have now launched an anti-British movement both at home and in areas under thier occupation in China. To encircle Hongkong, the Japanese navy has established air bases in Hainan Island and the Sprattley Islands.

Japanese Said Bluffing

Continuing, the journal said: "It is not impossible for Great Britain to checkmate the aggressor and to re-establish her position in the Far East. Japan will not dare to encroach upon British and French colonies in the East before a European war breaks out. Japan is at present attempting to bluff off Britain and France. If the latter adopt a stiff attitude toward her, Japan will not be bold enough to take any drastic step that will plunge her into a conflict with the two Powers."

Leading Chinese newspapers in Hongkong praised highly President Roosevelt's peace messages to Hitler and Mussolini. Stating that the United States is in a position to exert influence on the fate of the world, the *Ta Kung Pao* pointed out that President Roosevelt was now utilizing this influence to help Britain, France and Soviet Russia to maintain peace in Europe. The journal saw a change in the comparative strength of Germany and Italy, on the one hand, and Great Britain and France on the other, as a result of the present American attitude.

The *Wah Kiu Yat Po* expressed the opinion that President Roosevelt's message was tantamount to a warning to Germany and Italy that the United States as well as other democratic nations had resolved to resist any attempts at infringement upon the sovereign rights of any country in Europe.

The Hongkong edition of the *Shun Pao* believed that the appeal would not accomplish its peace purpose and urged the formation of a collective security system to check aggression.

Sun Fo, president of the Legislative Yuan, is still in Moscow, where he is making arrangements with the Soviet leaders for additional supplies to aid China, according to a Chinese report from Sian. Besides supplying China with war materials, the message added that the Soviet Government is also considering the dispatch of military advisers to China.

Gandhi Raises Funds

Indicative of the continued nation-wide support for China's resistance against the Japanese aggression, Mahatma Gandhi, India's sage and political leader, has launched a new campaign throughout India for funds for the relief of the Chinese war refugees. Gandhi not long ago contributed a large amount of money for the purchase of ambulances for the Indian Red Cross units on the China front.

The gay life led by the Chinese in Shanghai and Hongkong in the midst of China's life and death struggle with Japan was severely castigated by Generalissimo Chiang Kai-shek in a broadcast speech on May 1 on the occasion of the first day for the enforcement of the principles of the National Spiritual Mobilization Movement. Urging all Chinese in Japanese-occupied areas to redouble their efforts to serve their country, Gen. Chiang took to task particularly those Chinese who indulged in night-life gaiety and continually visited cabarets and amusement houses. He appealed to them to put an immediate end to such practices and to mobilize themselves spiritually and help their country during the present critical time. During Gen. Chiang's broadcast, a monster torch parade was held at Chungking, with more than 10,000 persons participating.

In connection with the recent campaign for funds to aid the war of resistance sponsored by the New Life Movement Association, a sum of $2,465,005 was collected and presented to the Government by Col. J. L. Huang, secretary of the New Life Movement Association.

No Offensive Started

Interviewed on the recent developments in the military situation, Gen. Chiang declared that the general counter-offensive against the Japanese had not been launched. Gen. Chiang empahsized that no special importance should be attached to the recapture or loss of any patricular city in the war zone. He expressed the belief that the Japanese could not continue hostilities over a long period.

The international situation, Gen. Chiang added, has been developing generally according to China's expectations. The attitude of the United States is of particular importance. Referring to the present visit in Chungking of the British ambassador, Sir Archibald Clark Kerr, Gen. Chiang said that the visit was not connected with any special mission. Foreign press reports alleging that Sir Archibald with mediate

(Continued on Page 307)

Economic Reconstruction for Rural Workers in Fukien

BY EDITH SIMESTER

SINCE coming to China eight years ago, the writer has found in Dr. Francis Chen (陳希誠博士) one of the most stimulating persons she has ever met. The work which Dr. Chen has been doing for the past two years as Commissioner of the Cooperative Bureau of Fukien Province, seems to hold such significance for the future development of rural sections that a report of an interview with him seems to the writer to be worthy of publication.

Dr. Francis Chen, according to his own words, is "an ardent follower of Christ, and a student of the cooperative pioneer, Professor J. B. Taylor." He is thoroughly trained in economics, having received his M. A. from Yenching University, and his Ph. D. from Yale University. He has travelled and studied economic problems in Europe. For several years he taught rural economics in Fukien Christian University. Of equal importance with his excellent training is his burning enthusiasm for his work and his deep love for and understanding of the people among whom he works. It is his spirit as much as anything else which wins the complete confidence of all who deal with him.

The following is an attempt to retell closely the story of his work as the writer received it from Dr. Chen:

Cooperation and Christianity

Dr. Chen was first influenced by the cooperative movement because its ethics seem to be very close to the Christian traditions. He believes it to be much more reasonable, more helpful, and generally better than other contemporary social-economic movements such as Capitalism, State Communism, or Fascism. Under capitalism, the capitalists are the real masters of their governments, and the directors of their national policies. In most lands the voice of the common people is not heard. State Communism is concentrating its effort to build up a new society for the proletariat based on violent seizure of the government, which method seems unethical to many. Fascism promises many things to the common people, but the dictator is always connected with the capitalist class. He not only preserves the profit interest, but also utilizes the masses for his personal power. As a matter of fact, the life of the common people is not improved, but is set back by this system. Thus none of these system seems to Dr. Chen to meet fully the need of our time.

In cooperation, however, he sees a better way. Under cooperation there is control by all through common understanding and democratic processes. "One man, one vote regardless of share" insures democracy of control. The present economic order of all capitalistic nations has centralized all its effort to make profit; new wealth is created only when profits are possible. Cooperation places human rights above property rights. Cooperators are not interested in profit. Everything is produced for use, not for profit. Under the cooperative system the earnings of industry and production go to the cooperators who own and control the enterprises and create business through their consumer needs.

Fukien's Cooperative Bureau

China has begun to realize the importance of the cooperative movement. The Cooperative Bureau in Fukien is one example of this interest. There are four leading types of cooperative societies in Fukien Province, namely, credit cooperatives, consumer cooperatives, marketing cooperatives, and producer cooperatives. Each of them is useful in meeting the needs of the common people, because each kind distributes the earnings to the individuals who produce the wealth according to the amount of effort contributed by each individual.

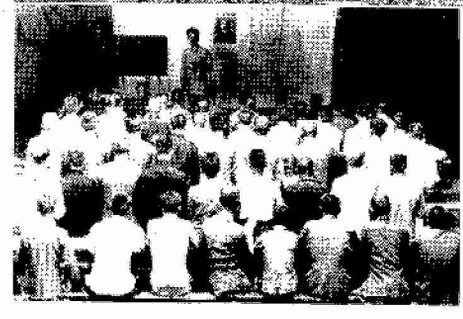
The Fukien Bureau has four departments: cooperative business, registration and training, financing, and general administration. Each of these has its specific tasks. There is a general secretary, Mr. Chen Chuan (陳椽) whose duty it is to supervise and coordinate the work of these four departments. The commissioner is responsible for the whole administration. The Bureau undertakes planning, as well as supervision of all cooperative societies throughout the province. There is a cooperative office in every county which has two or three field directors, a total number of 131, who constitute points of contact between the Bureau and the local societies. They are directing, supervising and training the members of every society. Nine inspectors have been sent out to guide and supervise the cooperative activities undertaken by the field directors. In this way even the most isolated societies are kept up to standard.

The geographical distribution of cooperatives is rather interesting. Fishing villages have been neglected for centuries, but the Bureau has sent field directors to many islands, such as Nan Jih (南日), Dung Shan (中山), and Ping Tang (平潭) and cooperative societies have been organized to meet the needs of this critical time. Cooperation is the economic salvation of these fishing villages. Directors have also been sent to the fruit-growing regions, paper manufacturing districts, textile centers, and rice-growing counties. Several types of societies have been organized in accordance with the needs of the toiling masses of each section. A total of $7,000,000 has been loaned to them in order to strengthen their financial position and help them to work out their own salvation.

The cooperative finance has grown rapidly from $1,500,000 to $7,000,000 within two years, the history of the local organization. Four field auditors have been appointed to audit the books in the different counties. All cooperatives are classified as to financial responsibility in three categories; limited, unlimited, and guaranteed. At present, nine-tenths of the societies are in the first category, and only a few have reached the third category. Cooperative members as a whole have been very honest. For instance, the price of products or commodities is rather low during war time, yet in these two years, the collection of loans has been extremely good. The average for the province has been above 95 per cent.

The number of cooperative societies increased from 1,919 in December, 1937 to 2,600 in December, 1938. The membership increased during the same period from 120,000 to 170,000. This rapid growth is due to hard times caused by the Japanese invasion and the government policy of promoting cooperatives. Both of these

The Cooperative Movement in Fukien Province



These pictures illustrate the cooperative movement, still of modest proportions, which is under way in the province of Fuklen as described in the accompanying article. Above are seen the cooperative members working for their winter crop. Below are students attending one of the annual training institutes.

gave great impetus to the cooperative economy.

The Fukien Bureau has formulated an effective educational program for its members and leaders, recognizing that without cooperative education there can be no healthy and efficient cooperative society. With the support of Governor Chen, Dr. Francis Chen has carried out an ambitious scheme for the training of both field directors and cooperative members. The field work is done by youth whose enthusiasm and spirit of sacrifice is boundless. A well-planned institute based on actual needs has been worked out to train these young men. They spend eight months in the training institute, and four months in the Bureau or in field work as apprentices. The tutors in the institute watch the youth carefully to note their growth in personality and capacity for leadership. Every attempt is made to guide their development. If a tutor finds that a student is not fit for this task, he will not be sent out as a field director.

Institutes Held Annually

There are two types of training for cooperative members in Fukien. The first is the annual Cooperative Institute. It lasts from four weeks to two months depending upon local conditions. In the institute, members and leaders live together very much as in the Danish folk schools. The members are in groups of from fifteen to twenty each, under the guidance of a field director, who lives in the same room with his students; usually in an ancestral hall or temple. They study, work, eat and play together as friends. After the training, the members return to their own villages or towns and are asked to teach other members who could not attend the institute for lack of time or money.

The second type of education is the weekly training. All officers of cooperative societies who have been to the institute are asked to teach a Sunday training class which resembles the Sunday School of the Christian church. This class meets regularly and discusses problems and plans connected with the work of cooperatives. There are 25,000 members who have received training from the annual institutes or Sunday classes.

Land-owning is becoming a cooperative enterprise. There are many societies throughout the province which own land collectively and work it collectively. The societies in Shaowu alone, own 1,635 *mow* of land. Some societies in the northwestern part of the province own forest and tung oil tree plantations.

Savings Facilities Provided

Every society has a savings deposit department, so that members have a chance to save any amount which they can at any time they wish. The amount in these savings accounts is growing larger and larger. This will enable the societies to grow stronger and more independent. They are looking forward to a time when they will not need to depend upon the government or banks for credit.

The Bureau maintains an extension center from which better seeds, seedlings, and livestock are sent out to members. Moreover, it loaned $556,905 worth of commercial fertilizer to hard-pressed farmers, especially tenants, during the past year. Many training classes are held in this center and exhibits and fairs are held occasionally.

Last October, a cooperative village was organized by this Bureau. The principles of cooperation have been strictly applied to every phase of economic and social life in that village. The Bureau secured 1,000 *mow* of uncultivated land in Nanping County. The village is located on a hillside behind that piece of land. Fifty families were carefully selected from the 170,000 cooperative members to live in this village. Residences, community house, school, hospital, warehouse, cooperative stores, barns, playground, farm, orchard, and irrigation project have all been carefully laid out. Everything was started from the beginning. The writer received an enthusiastic report of the set-up from a friend who had been to the village.

There are two types of leaders who work among the villagers in this model village. 1. Social workers. The purpose of these leaders is to work with the people and guide them to a higher standard of social relations. These social workers are not aloof from the group. They work with the others on the farm, and teach in the evenings. They are members of the community chosen for their ability to be moral leaders. 2. Agricultural leaders. These people are technical advisers to the members. They also live and work with the others. Their special task is to study the agricultural problems and help and guide the members into better ways of production. All of the members of this cooperative colony have the same opportunities and equal privileges. The rules and regulations of the community are made and enforced by the general assembly which is composed of one member from each family. We are watching the progress of this community with great interest.

Opposition from Greedy Landlords

The above paragraphs suggest the most important phases of this work. Let us not completely ignore its difficulties. The Bureau has a very limited personnel, but the men are of a very high grade, and are handling the administration of the great sum of money entrusted to them with absolute honesty. Dr. Francis Chen and his staff members are working tirelessly at this difficult task. In war time it is particularly hard to control both men and money and be sure that both are used wisely. Moreover there has been noticeable opposition from certain groups; especially since the cooperatives have become strong enough to compete with the corrupt gentry, the greedy landlords, and the self-seeking citizens of the various communities.

To Dr. Francis Chen, this kind of work is a mission. Some people oppose it; some are indifferent to it; and still others laugh at it as if it were too insignificant for serious attention. But to Dr. Chen it is a high calling. He believes that the toiling masses need a man who is really in love with them; who cares for them and works with them gladly. The success of the cooperative movement depends upon such leadership, and Dr. Chen provides it. The cooperative movement aims to create new manhood, a new system, a new society, and a new world. Without worthy leadership, no social solution is possible for the masses. Cooperation calls for true personality, clean personal life, and unselfish devotion. It is not only a movement for socio-economic betterment, but is also a movement for spiritual rebuilding. Under the social structure as it exists at present, human relations are predominantly selfish, and cooperative disciples must cope with boundless difficulties. Dr. Chen is ready to face these difficulties with high courage, because he has complete faith in the value of his task.

Foochow, Fukien, April 15, 1939

88-344

Japan Evolves Big Cotton, Wool Plans

With Gen. Kuniaki Koiso, who gained fame as chief of staff of the Japanese Kwantung Army, as its head, the Ministry of Overseas Affairs will soon play a prominent part in the economic development of the Asiatic continent under plans disclosed last week in Tokyo, *Domei* reported.

A 10-year plan to increase raw cotton production in Central and North China, and sheep wool in Manchukuo and Inner Mongolia, has been mapped out by the Ministry's experts. With the aim of increasing raw cotton production in North China by 100,000 piculs, the 10-year plan will provide for technical and capital support to cotton growers in that area.

A subsidy of Yen 725,000 will be granted to the Japan Cotton Cultivation Association during the first year of the 10-year plan. The Overseas Ministry will raise the remainder of a required Yen 3,000,000 fund for the attempted 10-year project. Half of the sum will be raised in Japan.

Similar technical and capital assistance will be given the Central China Cotton Production Improvement Association, which is expected to increase cotton production in Kiangsu, Chekiang, and Anhwei Provinces by 50,000,000 piculs.

Ranches in Manchukuo and Mengkiang will be enlarged, while each camp will be furnished with 5,000 sheep. Two large ranches will be opened in cooperation with the Good Neighbor Association. An annual subsidy will be granted by the Overseas Ministry, with a first-year instalment of Yen. 1,950,000 given to the East Asia Sheep Wool Association.

A CORRECTION

In an article entitled "China's Cotton Industry Since the Hostilities," which appeared in *The Review* for April 22, 1939 it was stated (page 241, column two, first paragraph) that "Wing On Textile Manufacturing Mills, Nos. 1, 2 and 3 etc are being occupied and no persons of any nationality are permitted to enter the premises." This should have read: "... Mills Nos. 1, 2 and 4," since the No. 3 mill is located on Markham Road within the International Settlement. The No. 4 mill, however, is in Woosung.

Tokyo Businessmen to Study China Conditions

Planning to study industrial conditions in Shanghai, Tsingtao, Tientsin, Peking, Kalgan, and Paotow, a six-member party of the Tokyo Chamber of Commerce and Industry, headed by Mr. Tatsu Mizuguchi, left Tokyo Apr. 26 for Kobe, where they were to embark for China on the N.Y.K. liner *Tatuta Maru*. They will return to Japan about May 20, *Domei* reported

Thirty-nine members of the House of Representatives will be sent abroad on various missions during the current year, following a decision reached at a meeting of representatives of all Japanese political parties in Tokyo on Apr. 26, also according to *Domei*.

Three members will be sent to the International Parliamentarian's Conference at Oslo, Norway on Aug. 15; eight on an inspection tour of Manchukuo, where they will visit border troops; eight to Siam on a goodwill mission; and 20, divided into four groups, will make inspection trips to North, Central, and South China.

F.R.B. Notes Toboggan as Japanese Establish New Puppet Bank Here

WITH indications that the downward trend is likely to continue unless the Japanese authorities can find a way of arresting the decline by means of a financial "blood transfusion," Federal Reserve Bank notes slumped early this week to a point at which they stood at a 33 per cent discount in relation to China's national currency. In Peiping, the headquarters of the Federal Reserve Bank, which was established to strengthen the economic grip of Japan upon North China and whose primary aim was to oust the Chinese national dollar completely from the currency market, it took Federal banknotes of a nominal value of $133 to purchase $100 in Chinese national currency.

The Federal currency began its wild toboggan ride approximately in the middle of April. On Apr. 19 it was already discounted slightly more than 17 per cent. Since then it has steadily declined to its present low level from which no recovery is in sight.

Good Business—for Buyers

An amazing feature of the situation is that the F.R.B. notes are still being exchanged at par by the Japanese banks. This means that a Yen worth 1-2d in British currency can be purchased with a Federal Reserve dollar actually worth no more than 6d.

The decline of the F.R.B. notes is generally ascribed to the failure of the Bank scheme to sell foreign exchange at the full rate of 1-2d. This resulted in a demand for Chinese national currency which is necessary for the purchase of foreign exchange at foreign banks, which still refuse to deal in the F.R.B. notes.

Financial circles in Shanghai have expressed the view that the extraordinary slump in F.R.B. notes represents the failure of yet another attempt to undermine China's national currency.

Realizing that it would now be a hopeless proposition to introduce the Federal Reserve currency into Central China with any hope of ousting the Chinese dollar from this part of the country, the Japanese, through the Nanking "Reformed Government", this week established a new note-issuing institution in Shanghai known as the Hua Hsing Commercial Bank, which is already flooding occupied territory with new currency.

Not Pegged to Yen

Unlike the F.R.B. notes, the new currency is not pegged to the Japanese Yen, but is supposed to have the same value as genuine Chinese national currency in the open money market of Shanghai. Also unlike the F.R.B. notes, it has not, by fiat, been proclaimed the only legal tender. For the time being it is to be allowed to circulate alongside the genuine Chinese dollar. Only if it proves a success are the Japanese expected to repeat in its favor the arbitrary measures which they enforced against the national currency in North China.

The Hua Hsing Commercial Bank is reportedly capitalized at $50,000,000, fully paid up, of which sum half was subscirbed by the Japanese banking consortium supporting the Federal Reserve Bank, while the other half has allegedly been furnished by the "Reformed Government."

There is no trading in this bank's "puppet money" south of Soochow Creek, but in Hongkew and Yangtszepoo it is circulating rapidly. The Japanese maintain that they will freely sell any amount of foreign exchange against the new notes, just as foreign exchange is sold in the International Settlement and French Concession against Chinese national currency. But actually, the Japanese placed no foreign exchange at the disposal of the new bank (they don't have any to spare). Instead, the Hua Hsing Commercial Bank acquires foreign exchange by circulating its own notes in exchange for genuine Chinese currency, using the latter, in turn, to acquire foreign currency.

Yen Devaluation Likely

In some quarters the sharp decline of F.R.B. notes has caused a belief that the Japanese Yen, to which the F.R.B. dollar has been pegged, is due for early devaluation. British shipping firms in Tientsin have ruled that passages shall be paid for, if tender is made in F.R.B. currency, at their actual value in relation to genuine Chinese currency. This and similar refusals to recognize the puppet currency as having more than its acutal exchange value has accelerated the process of decline.

The *China Times* in Chungking hailed the slump in F.R.B. notes as a development "no less significant that a military victory" for China. The Chinese dollar, the paper said, was waging just as successful a war with the enemy as the soldiers were doing at the front.

S.M.C. Suspends Chinese Newspaper

ACTING in compliance with general Japanese demands for the suppression of anti-Japanese propaganda in the International Settlement, the Shanghai Municipal Council on Monday of this week cancelled the registration of the *Hwa Mei Chen Pao*, a Chinese morning newspaper published by Hal. P. Mills and registered as an American concern, but agreed to register the organ the following day. On May 2, the paper did not appear.

The S.M.C. action was taken on the ground that the paper had published in its Apr. 28 issue an article which "tended to prejudice the preservation of law and order." The article in question was a vitriolic attack on Dr. Chu Min-yi, president of the Franco-Chinese Technological Institute in Shanghai and an erstwhile political associate of the discredited Wang Ching-wei. When Dr. Chu was pressed recently for a statement as to his attitude toward Wang, he made a non-committal statement in which he said that he was not connected with politics and was devoting all his attention to his educational work.

Arouses Chinese Patriots

This apparently aroused the ire of Chinese patriots and Dr. Chu has lately been subjected to vigorous attack in sections of the Chinese press. The *Hwa Mei Chen Pao* article said that he "had already exposed half of his tail" and expressed the hope that he "will check his own activities and wash out the black spot on his career by acts, not words. The eyes of the Chinese public are piercing and penetrating and it appears no traitor can hide his tail. The eyes of the Chinese public are focused on the traitors who betray their own nation for their own personal ends. Any traitor found betraying the nation should be executed. This applies to any traitor."

Re-registration of the paper was granted when the publisher expressed regret that the article had appeared, which was said to be due to an "oversight," and gave an assurance that no similar articles would appear in future.

Last week, S.M.P. officers called on all newspaper editors and publishers in Shanghai —save those of Japanese-owned Chinese newspapers—and warned them against publishing anything "likely to disturb peace and order" and threatening police action in the event of failure to comply with the warning. The action against the *Hwa Mei Chen Pao* was the first such action taken.

Words That Are Taboo

On Apr. 22 publishers of British-owned Chinese newspapers were called to the British Consulate-General and there a request is understood to have been made that these papers refrain from printing material of an anti-Japanese nature or containing pro-National Government sentiments. Items regarded as objectionable by the Japanese (and, therefore, presumably by the British) were Kuomintang

Richter in China Today

manifestoes regarding the Spiritual Mobilization Movement, according to the *Shanghai Evening Post* (Apr. 25). Objection was also understood to have been made to the use of such words as "puppet" and "traitor" in news stories.

The publishers reportedly asked British consular officials whether any action had been taken to curb the anti-British sentiments expressed in local Japanese-owned Chinese newspapers. What reply was forthcoming, if any, was not disclosed. Meanwhile, this anti-British campaign is continuing unabated.

Ryosuke Inouye, 25-year-old Japanese, allegedly unemployed, attempted to commit *hari-kiri* in one of the corridors of the S.M.C. Administration Building on Apr. 26, but was stopped before he could complete the gruesome act of self-destruction. Japanese sources said that the suicide attempt was intended as a protest against the "insincerity" of the S.M.C. in dealing with anti-Japanese activities and the "lukewarm" attitude of the Japanese authorities toward the S.M.C.

Army, Navy Back Fu

On May 1 a joint statement was issued by the Japanese Army and Navy authorities in Shanghai, supporting the demands recently submitted to the S.M.C. by Mayor Fu Siao-en of the Japanese-controlled Municipality of Greater Shanghai and calling for "a curb on unlawful elements," the handing over of the First Special District Court, and a ban on the flying of Chinese National and Kuomintang flags in the International Settlement.

Commenting on the statement, the director of the Press Bureau of the Japanese Expeditionary Force in Central China, Lieut.-Col. Itsuo Mabuchi, said the Army and Navy considered it essential for the Settlement and Concession authorities to so act as to remove the impression that the two areas are being utilized by the Chungking regime. "If they are unable to do so, we shall be constrained to conclude that those authorities have neither the will nor the ability to enforce real measures for the maintenance of peace and good order".

Why China Will Win the War*

BY DR. C. T. WANG

WAR either strengthens or weakens a nation. History has shown us that a nation may either prosper or be destroyed by war. China has been fighting her aggressor for over 18 months and though she has suffered heavy losses, she is now a unified nation and is building up a new China.

Success or failure through war can be proved from historical records. As the saying goes "Loss or gain is a common occurrence in military affairs". This serves to demonstrate what we wish to say here. We are about to study and analyze all the points which go to prove that China will ultimately emerge victorious Let us therefore take four examples out of history :—

1. Some 150 years ago the War of Independence took place in the present well-known United States of America. The then thirteen states of America were populated mostly by emigrants from England who had the customs and habits, the education and religion of the English. The main cause of the revolt was Britain's unfair treatment of these people in not permitting them to be represented in Parliament. In 1776 when the revolution broke out, these people had no joint constitution, no armaments, no adequate means of self-defense but they demanded justice and independence which could be obtained only by determined resistance.

Years of Defeat

In the first four years of war they met only with defeat. General Washington decided to attack the enemy, not in the usual way, for England was far superior in arms and men, so he adopted guerrilla tactics and during four years his men received thorough training and finally attained their object.

From the above we clearly see how American's weakness was successful in defeating England's might after eight years of struggle.

2. Napoleon, the world's greatest warrior, succeeded in dominating the whole of Europe excepting England and Russia. What was the outcome ? He was imprisoned finally on an isolated island.

3. America's Civil War which cost the lives of over a million men was fought for political and economical reasons as well as for the abolition of slavery in the Southern States. Justice triumphed and the Northern States emerged victorious and have known prosperity until to-day.

4. The Great War (1914-1918) involved practically every country in the world. Over twenty million men, women and children were slaughtered or died through privation. Germany with her Zeppelins, powerful air force, mysterious submarines, up-to-date armaments and improved artillery did not doubt that her soldiers would fly the German flag on the Eiffel Tower. But was it so ? Her armies were defeated and she was compelled to make sacrifices to compensate those nations whom she attacked.

From the foregoing, we can analyze the conditions for success in war as follows :—

Conditions of Success

MAN POWER :—A large population is a great asset for any nation. Gemany's sixty-odd million people had no difficulty in annexing Czechoslovakian territory.

The spirit of the people, their united strength, their history of several thousand years are powerful factors in making a country strong.

FINANCIAL CONDITION :—Raw materials and the producing capacity of a nation are important points. Gobi and Mongolia would never think of attacking others for they have no means of living, let alone fighting. But rich districts are easily convertible into strongholds of resistance against aggressors. Though war requires strong armies and well-trained men, it needs furthermore money to purchase armaments and up-to-date equipment.

COURAGE :—The nation that possesses courage will never be extinguished. As in the American Revolution the people fought unflinchingly for justice. To-day they are a great and powerful nation. Our people should therefore bear in mind that every man, woman and child must be bound together in heart like the proverbial bundle of sticks and then the nation's resisting power will be invincible, for "united we stand, divided we fall."

MILITARY TACTICS :—A great leader is of primary importance and this China posseses in the person of our much-esteemed Generalissimo. From the latest historical events we see that sudden attacks are mostly successful. In the Great War, Kaiser Wilhelm reckoned that within seven hours he would have crossed Belgium into France. But his plans were frustrated by the stout defence put up by the Belgians and this delay enabled Britain and America to prepare against the menace to the world.

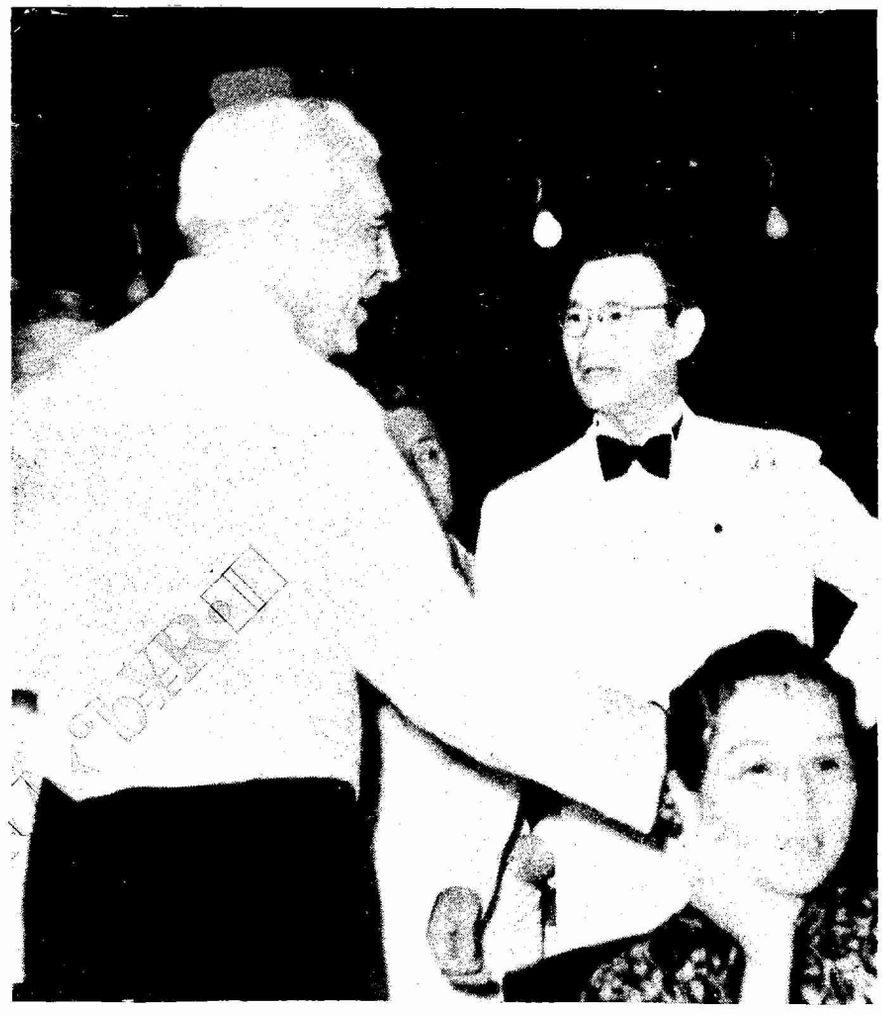
CHINA WILL WIN THE WAR :—From the foregoing details let us arrive at a brief conclusion.

1. China's population totals 450,000,000 people, six times that of Japan. After 18 months of war statistics show 1,000,000 Chinese soldiers killed and wounded as against Japan's 700,000. So in proportion China will still have one third of her population left with not a single Japanese living.

2. COMPARISON OF NATURAL RESOURCES :—China is an agricultural country with inexhaustible supplies, besides possessing abundant mineral riches. A journey through the Yangtsze and Yellow River Valleys would convince any economist that China is one of the richest countries in the world. At the outbreak of the present war, many people were worried as to what would happen to the Chinese dollar : it is true that it has devaluated somewhat, but, nevertheless, has remained steady for the last half year or more. China has her financial and economical difficulties but they are but one-tenth of Japan's. So, being in such a sound condition why should China not be able to resist Japan for a hundred years ?

3. THE CHINESE NATIONAL

Sino-American 'Entente Cordiale'



Consulting on Sino-American-Philippine friendship, Dr. C. Kuangson Young, Chinese Consul-General at Manila, recently gave a formal Chinese dinner in honor of the U.S. High Commissioner Paul V. McNutt and Mrs. McNutt. The photo shows Dr. Young conversing with Mr. McNutt. The Chinese lady is Mrs. K. Y. Moy, wife of the Chinese Consul in Manila.

**Translated by H. N. Ling from the Feb. 8 issue of the Shanghai "Wen Hui Pao" and reprinted from the "The China Critic"*

SPIRIT :—Though the people have suffered enormous losses : their families broken up, their houses destroyed, they have never denounced their government. Students, business men, girls and boys have joined the ranks of guerrillas in their combat against the hungry and ferocious wolf. China is fighting not only her own battle, but that of all those countries interested in the Far East. Lord Strabolgi said : "The Chinese are fighting our battles." This is a true statement, and if the whole of the Chinese people remain united and support Generalissimo Chiang, the victory will without doubt be China's!

Peace Rumors Subside

(Continued from Page 302)

in the Sino-Japanese hostilities, Gen. Chiang declared, are absolutly groundless.

Unwavering support to Gen. Chiang Kai-shek and the cause of the war of resistance against Japan was voiced in a message to the Generalissimo by the people of Kansu province. The message was dispatched in connection with the launching of the Spiritual Mobilization Movement in Kansu.

The report published in several papers in Shanghai alleging that Gen. Chi Hsin-wen, the gallant defender of the Marco Polo Bridge and Wanping at the beginning of the present hostilities, had died in a Shanghai hospital, was categorically denied by the Chinese authorities in Chungking. They declared that Gen. Chi is not in Shanghai and is not sick, but is commanding troops at the front.

Thin Diet for Soldiers

A special diet for Chinese soldiers, composed of specially baked bread and salted vegetables, cheap and nutritious, is reported to have been invented by Prof. Shen Hsueh-yuan, after painstaking research lasting one and a half years.

In order to check importation of luxuries during wartime, the National Government is considering putting into effect more rigid control of imports through closer observation of the Customs and stricter regulations governing the release of foreign exchange. At the same time, the government is making an effort to increase the export of Chinese products such as wood oil, silk and tung oil in order to acquire further exchange.

With a view of promoting the export trade, the Yunnan Import & Export Committee has been ordered by the Yunnan Provincial Government to grant special subventions to exporters of furs, hides and medicinal herbs, which are the principal products for export from Yunnan.

In accordance with the Organic Law of the People's Political Council, the term of offices of the members of the Council has been extended for another year beginning from July 1. The Council will meet semi-annually, instead of only once a year as originally scheduled.

In view of its growing importance, the National Government has decided to elevate the status of Chungking to a Special Municipality under the direct jurisdiction of the Executive Yuan.

S.M.C. Protests Assault On Police Commissioner

The Shanghai Municipal Council this week lodged a protest with the Japanese authorities against the action of a Japanese naval officer in assaulting Assistant Police Commissioner A. H. Samson at the General Hospital on Apr. 24, following the traffic smash in Hongkew in which Bertram Lillie, principal of the Lester School, lost his life. Mrs. Lillie, and Sergeant R.J. Wimsett of the S.M.C., who were in the smash-up, in which Lillie's car collided with a Japanese bus, were seriously injured but are reported to be recovering.

Chinese News Disseminators Get Rebuke Over False Nanchang Story

NIPPON PLANES DEVASTATE CHUNGKING, FOOCHOW

Casualties exceeding 1,000 in number, of whom at least 100 are believed to have been killed, were caused Wednesday of this week in a Japanese air raid on Chungking, China's provisional capital, according to *United Press*. Twenty-two planes loosed scores of bombs, including incendiaries, on densely-populated sections of the city, causing vast conflagrations, the agency said.

The business section of Foochow, according to a *Reuter* message from Chungking, has been reduced to ruins by Japanese air raids on the Fukien seaport carried out on Apr. 21 and 25 and May 1 and 2. More than 1,000 casualties were caused in the four raids, it is stated.

A sharp rebuke to "irresponsible quarters" —meaning, obviously, Chinese news disseminating agencies—for falsely reporting the recapture of Nanchang by Chinese troops toward the end of last week, was delivered in Chungking, according to a *Reuter* message from that city on Apr. 30.

The Chinese military authorities, it was claimed, had only announced that their troops were converging on Nanchang and that they had reached the outskirts of the city, recapturing both the old and new airfields and also the railroad station, which are some six miles distant from the city proper.

Official Confirmation Claimed

First claim that Nanchang had been recaptured came from the *Kuo Min* news agency, which, in a dispatch dated from Chungking Apr. 27, said that complete reoccupation of the city the previous night "is officially confirmed here today." Dramatising the story, the agency added : "Indicating the haste and disorder during their retreat, the Japanese left behind in Nanchang large quantities of arms and ammunition, as well as food-stuffs which they had no time to remove or destroy." Chinese troops the agency said further, "are now engaged in mopping up Japanese remnants on the outskirts of Nanchang" —the type of report regularly encountered in Japanese field dispatches, with the only difference that the Japanese are the moppers-up.

Kuo Min bolstered its story the following day with a further purported Chungking dispatch which stated that "Chinese troops are consolidating their positions and mopping up remnant Japanese lurking in the city." And again a dramatic touch, reminiscent of Japanese reporting, was added : "The Chinese are busily engaged in putting out the conflagrations set by the Japanese prior to their retreat from Nanchang." In other words, the Japanese were emulating China's scorched earth policy!

Japanese sources made scornful replies to these false claims. A Japanese military spokesman said that if Chinese troops had entered Nanchang they must have been "invisible troops." A Chinese claim to have recaptured Kaoan was dismissed by a War Office spokesman in Tokyo "with laughter," *Domei* reported.

Puppets Said Executed

The Shanghai *Wen Hui Pao* went much further than *Kuo Min* in its description of the mythical recapture of Nanchang. Quoting Chinese reports, the paper said on Apr. 28 that many puppet officials in Nanchang were "taken unawares" by the Chinese attackers, trapped in the city and executed. Among them was named Hu Hui, chairman of the Nanchang "Peace Maintenance Committee."

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Air Raiders Subject Ningpo to Bombings

Ningpo, leading Chekiang coastal port, was bombed by Nippon airmen on Apr. 28 and again on May 1. In the first raid, *Kuo Min* reported, 17 bombs were dropped, causing heavy casualties and damage to property. In the second bombing 100 people were killed or wounded and 200 dwellings destroyed, according to the *Sin Wan Pao*. Other Chekiang cities bombed at the end of last week and early this week were Wenchow, Haimen, Tinghai, Huang-yen, Chinghai and Taichow.

On Apr. 27, Hungtipu, a village south of Ichang in south-western Hupeh, was bombed by 15 Nippon planes, more than 30 persons being killed and over 50 houses destroyed. On Apr. 29, *Domei* reported, Sian, capital of Shensi, and Loyang, in western Honan, were subjected to aerial bombings, extensive damage being caused to "military bases."

Amoy University Bombed

Amoy University, temporarily located at Changting, western Fukien, was bombed on Apr. 27, *Kuo Min* reported, adding that 15 bombs were dropped on the campus, destroying a number of buildings and causing heavy casualties among the students.

Domei, reporting from "A Japanese Air Base" on May 1, said that Japanese Army aviators had carried out 40 raids in the three-day period Apr. 26 to 29 and succeeded in dispersing heavy Chinese troop concentrations along the west bank of the upper Han River. The agency also said that 17 Chinese combat planes had been shot down over Nancheng, in southwestern Shensi, on Apr. 29.

The Fukien seaport of Foochow was bombed May 2 by five Nippon raiding machines which dropped 10 bombs on congested areas, killing about 40 persons and injuring 80 others.

New German Magazine Makes Appearance Here

A German magazine, the *Gelbe Post*, a bi-monthly publication edited by Mr. A. J. Storfer, an Austrian refugee, made its appearance in Shanghai this week. Brought out in an attractive yellow cover, the new publication contains timely reading material of interest to the growing population of German and Austrian Jewish refugees in Shanghai. Mr. Storfer was a co-worker of the great psycho-analyst, Dr. Sigmund Freud. He published the doctor's magazines and assisted in the publication and editing of Freud's works. Judging by the contents of the first issue, the magazine is designed to give the European refugees reading in their own language about China and the Far East.

Two Vast Expositions Now Being Staged at New York and 'Frisco

THE United States is staging this year two world's fairs, one in New York which carries the title, "World's Fair," and another in San Francisco which is known as the "Golden Gate International Exposition."

Grover A. Whalen, President of the New York Exposition, in an address delivered at the opening ceremony, stated that the central theme or slogan of the enterprise is, "Building the World of Tomorrow." Previous international expositions, he stated, had drawn their inspiration from the past.

Construction of the buildings has been in progress for practically three years. They cover an area of 1,216 acres, providing space for 1,300 exhibitors, among which are 37 firms or groups of companies which have constructed their own buildings. Among the exhibitors are more than two dozen states of the American Union and numerous foreign nations, all grouped about a "Court of Peace." There are displays by some 60 countries and the League of Nations. The management stated its expectation of entertaining 60,000,000 people this year.

Enormous Expenditures

The entire enterprise represents an expenditure of U.S. $155,000,000, of which the Fair Corporation contributed $50,000,000; city, state and nation, $30,000,000 each; private industry, $45,000,000; foreign nations $25,000,000 and the states, more than $5,000,000. Visitors are expected to spend $1,000,000,000.

The Golden Gate International Exposition, carries the theme, "A Pageant of the Pacific." It was officially opened on Feb. 18. Its site is Treasure Island, a man-made island which was dredged from the bottom of San Francisco Bay by U. S. Army engineers. It occupies 400 acres and at the close of the Exposition will become a municipal airport, operated by city and county for the benefit of surrounding communities. The Trans-Pacific base of Pan-American Airways is located on the Island and the giant Clipper planes are anchored alongside. The Clipper ships provide a visual demonstration of one of the Exposition's central themes, emphasizing improved and faster trade and travel among the nations of the Pacific.

The Fair also celebrates the rise and development of huge electrical development projects on the West Coast, for future industry, represented by such super-projects as Boulder, Bonneville and Grand Coulee dams, representing the greatest works ever undertaken by man. The Exposition also marks completion of the two greatest bridges of the world—across San Francisco Bay—connecting Treasure Island with the mainland in two directions. Golden Gate Bridge cost U. S. $35,000,000. while the San Francisco-Oakland Bay Bridge represented an outlay of $77,000,000.

China is Represented

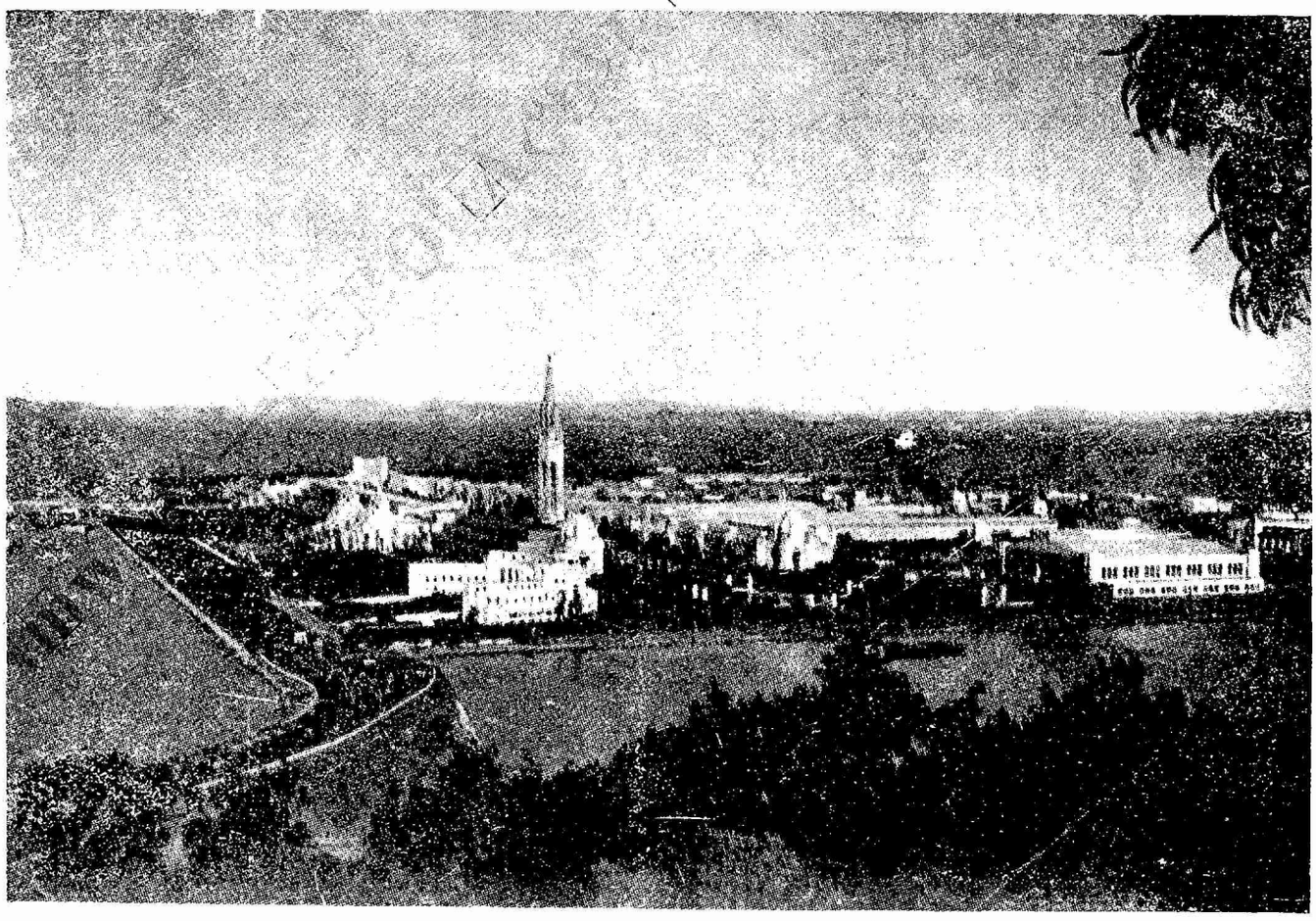
The Golden Gate Exposition was sponsored by eleven Western states and most Pacific countries, including China, whose exhibits are being financed by a group of patriotic merchants. The Exposition represents an outlay of more than U. S. $50,000,000, of which $20,000,000 covered the construction of Treasure Island. Basic architectural forms were borrowed from practically every nation about the Pacific, particularly the Mayas,

PRES. ROOSEVELT OPENS NEW YORK WORLD'S FAIR

The World's Fair at New York, greatest exhibition ever staged, was opened by President Franklin D. Roosevelt on Apr. 30 in a speech in which, referring to the theme of the Fair—"The World of Tomorrow"—he described the great undertaking as America's supreme gesture of international optimism. The American nation, he said, was hitched to the star of international goodwill, and, above all, the star of peace.

A fleet of 28 fighting ships, representing most of the vessels in the U.S. Atlantic Squadron and several units of the main Fleet, entered New York harbor for the Fair opening. On the first night, *Reuter* reported, cosmic rays, "snatched from inter-stellar space," and emitted from the Trylon (one of the Fair symbols) were used to illuminate the vast grounds. The last of the ten flashes had a brilliance equal to a million 100-watt lamps and was visible within a radius of 20 miles.

"Pageant of the Pacific" At San Francisco



Night view photo from San Francisco Chronicle

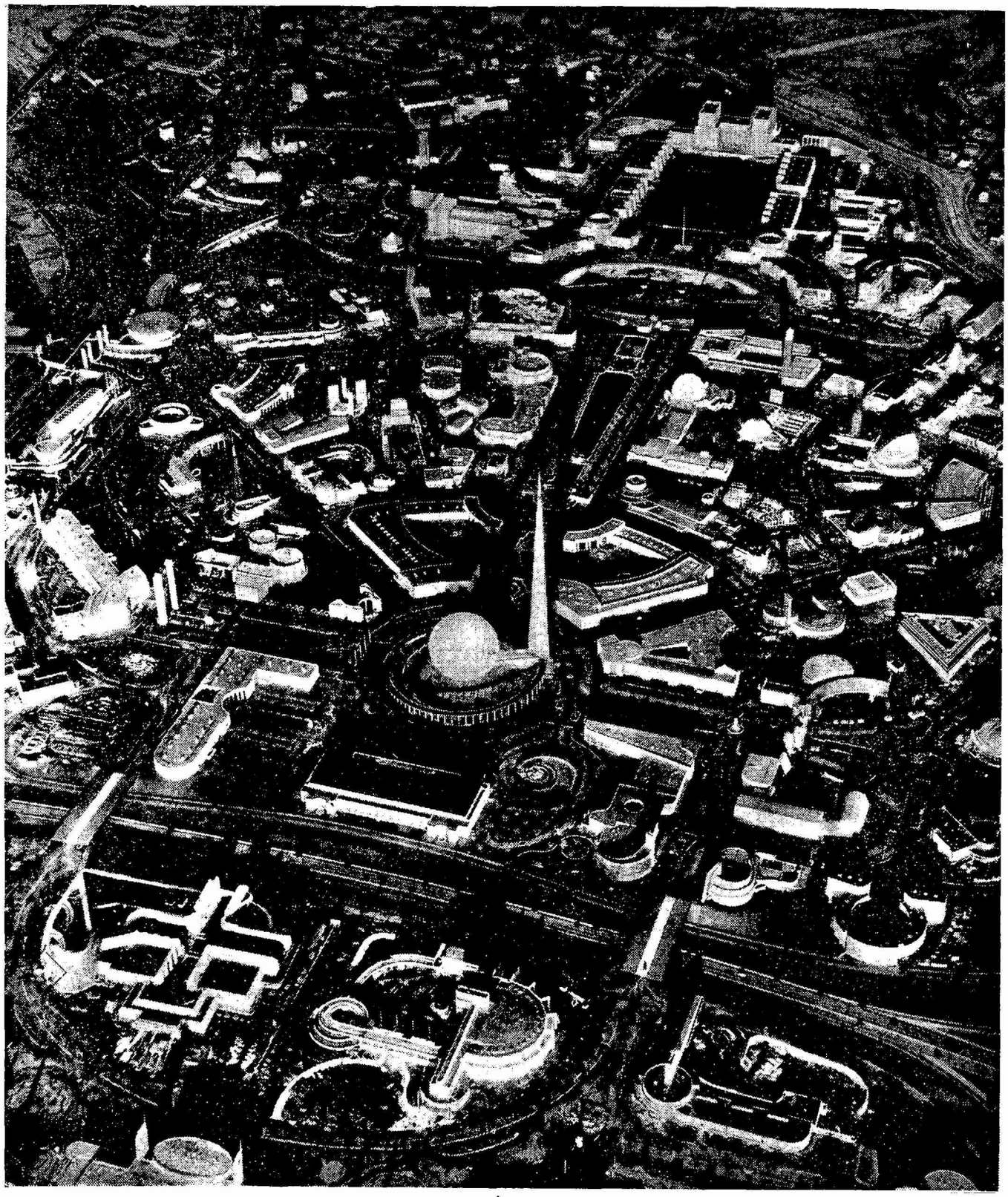
Incas, Cambodians and Malayans. A special feature is a display of Pacific Arts, the like of which have never before been grouped in one place for public view. Aside from exhibits by the Federal Government and Western states of the Union, and numerous Pacific countries, there are displays by more than 200 industrial concerns, many of which have pooled their efforts in realistic presentations such as mining, oil, fruit, livestock. The head of the Exposition is Leland W. Cutler.

China Places Big Plane Order in U. S.

Latest indication of the efforts being made to revive China's air force was a *United Press* dispatch from Washington on Apr. 28, quoting unofficial sources to the effect that the Chungking government had signed a contract for the purchase of war planes to the value of U.S.$15,000,000. There was no loan involved, the agency said, and payment would be effected next year from China's silver deliveries to the United States.

A recent Hongkong dispatch published in the *Ta Mei Wan Pao* said that by the summer of this year China will have 500 first-line airplanes. The same report said that a large number of Soviet-made airplanes are now stationed in Lanchow (Kansu). A foreign correspondent was said to have placed the number at approximately 100.

New York Fair Symbolizes "World of Tomorrow"



New York Times photo

88-349

Picture of Hankow Under Japanese Rule

BY OBSERVER

Editor's Note: The following article, written by a foreigner who resided in Hankow before, during and after the Japanese occupation of the Wuhan tri-cities, and who only recently returned to Shanghai, gives a picture of conditions in that center that possesses the freshness of an eye-witness account. For obvious reasons, the author has preferred to remain anonymous.

THE vanguard of the Japanese troops entered Hankow on the gloomy, rainy afternoon of October 26, 1938. As the "victorious" Nipponese army marched through the deserted streets of Wuhan, their gaunt haggard-faced soldiers appeared more like the remnants of defeated forces, utterly exhausted after more than five months of fighting for the Wuhan tri-cities. According to official statistics, approximately 20 infantry divisions, supported by the Yangtsze flotilla of the Japanese Imperial Navy and spectacular air forces, participated in this fighting. The casualties numbered about 350,000 men, 96,000 of whom were killed.

Six months have elapsed since the occupation of Wuhan, and it is now generally conceded that the fall of Hankow did not signify the collapse of Chinese resistance or the Chiang Kai-shek regime. The Japanese army has been forced to continue the war under the most unfavorable conditions, in view of the present unprecedented widening of the front line and the elongation of communications between points in occupied territory.

Guerrilla Warfare Intensified

Active resistance by the Chinese army after the fall of Hankow was characterized by the intensification of guerrilla warfare. In the vicinity of Wuhan alone, it was reported by the Japanese Army Intelligence Service of Central China that "mopping-up" operations were being directed against 31,840 irregular Chinese forces classified by the Japanese as "Communist brigands, local brigands and San Min Chu I youths." The foreign press in Hankow recently received confirmed reports of the growing organization and discipline of guerrilla units around Wuhan, in accordance with instructions from the Chinese central government. Chinese bandits roaming the countryside and preying upon the peasantry were given an ultimatum either to join disciplined guerrilla forces or relinquish their arms. A system of granting subsidies for the maintenance of the Chinese irregulars is being developed in each hisen, where the magistrate taxes the rich and appeals for contributions to a special fund.

In Hankow distinct artillery and gunfire was often heard from Wuchang, where the Japanese garrison was subject to surprise attacks by Chinese mobile units and guerrillas. Japanese civilians who have optimistically settled in Wuchang, sporadically pour by the boatload into Hankow, when the guerrillas become too active in the vicinity. The Japanese military, attempting to exterminate guerrilla forces, admittedly employ the so-called "new tactics," consisting of the razing of entire villages and driving the Chinese peasants into the camps of the Wuhan tri-cities. The aim of these tactics is obviously not only the extermination of guerrillas, but also their indigenous bases in Chinese villages.

Shelter for Fleeing Peasants

The refugee camps in Wuchang and Chiaokow, on the outskirts of Hankow, provided shelter not only to these fleeing peasants, but also to tens of thousands of Chinese swarming into Hankow from other Japanese-occupied provinces. Many thousands of local Chinese who had lost their homes and property during the first month of the Japanese occupation when their houses were burned and pillaged by Japanese soldiers, were forcibly driven into these camps. Due to the zealous efforts of foreign missionaries and the International Zone Committee supervising the refugee camps, the plight of these miserable refugees was somewhat ameliorated. Today, however, the Chiaokow refugee camp, is actually little more than a human reservoir, providing the Japanese with forced labor for military purposes. In Wuchang, more than 20,000 refugees are still living in the huge compound of Dr. Miller's famous sanatorium. With as many as twelve Chinese to a tiny straw hut, this refugee camp is a huge beehive community.

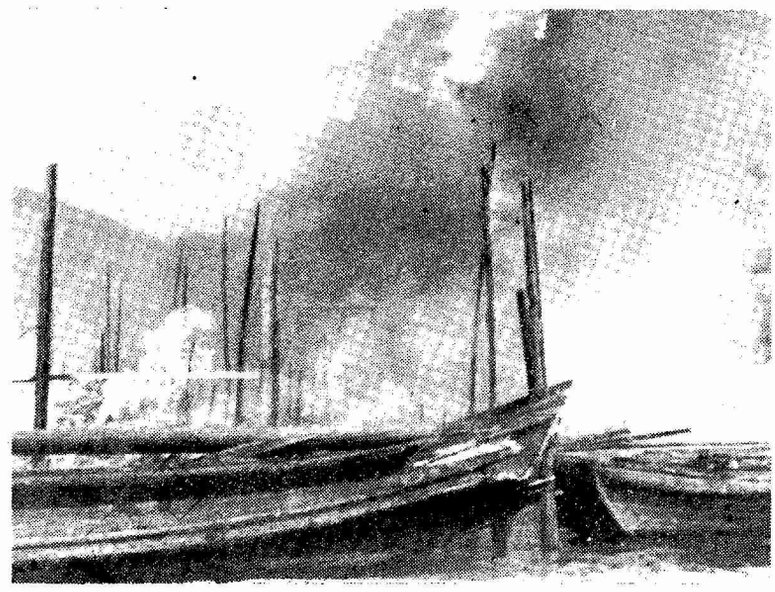
As in other Japanese-occupied territory, The Japanese army in Hankow was followed by the usual train of Imperial subjects: Japanese ronin, prostitutes, geishas, opium dealers, merchants, bankers. With the Yangtsze closed to foreign vessels, Japanese merchants had a virtual monopoly of commercial shipments and flooded Hankow with Japanese goods.

Asahi beer, canned goods, saki, sugar, matches and cigarettes were among the varied Japanese imports prominently displayed in the shops of the Japanese business district in Hankow. "Comfort houses" for the Japanese soldiers are profusely scattered through this district, and gaily-kimonoed "singsong" girls, as well as young Chinese girls, stand outside the doors of these houses, smiling alluringly to attract the casual Nippon soldier or passer-by.

It has been authoratively ascertained that more than fifty big opium smoking houses, each containing twenty "beds" at five dollars per smoker, have been established in Hankow. Opium distribution is carried out under the auspices of the "Opium Suppression Bureau," a section of the former Wuhan Peace Maintenance Association. According to the budget statistics for this organization, the sum of $984,550 was collected from the "Opium Suppression Bureau" in the month of February alone.

Immediately after the occupation of Hankow, the Japanese authorities imposed a stringent food embargo on the French Concession and cut off the water supply. The chief of the Japanese Special Service Section of the Japanese Army in Hankow, General Morioka, rationalized this action by stating that the French Concession harbored anti-Japanese elements, Communists, and rich Chinese merchants. According to Gen. Morioka, these "bad elements" must volountarily surrender or be forcibly handed over by the French authorities to the Japanese. When the French authorities refused to comply, the Japanese organized this starvation blockade. A few typical scenes during this period follow:

Ships and Junks on Fire



Before the Japanese Army entered Hankow, Chinese set fire to ships and junks in the river port to prevent them falling into the hands of the invaders.

Japanese, French Divide Spoils

At the gates of the French Concession, Japanese sentries were stationed against heaps of assorted food-stuffs confiscated from poor Chinese attempting to "smuggle" small quantities of food for the coming New Year. A "division of spoils" is later effected between the Japanese and French sentries—the Annamites—who occasionally aid in capturing an elusive Chinese. Meanwhile, Japanese marines are busily occupied in searching all Chinese men, women and children, who are notoriously adept at hiding fish and eggs in their trousers. The Japanese sentries are not at all squeamish about stripping Chinese women, even on the Bund, in full view of hundreds of passers-by. After precious food has been confiscated, older Chinese are lucky to escape with merely a sound beating, while more piquant punishment is reserved for the children, who are forced to stand with arms upraised for hours, the tears streaming down their faces, as a warning to all "would-be smugglers." On the Yangtsze, Japanese marines had been ordered to shoot any Chinese attempting to bring food on sampans, and it was reported that two Chinese had been killed that morning.

In the midst of this chaotic situation, a foreigner carrying a live goose under his arm suddenly appeared. Surreptitiously trying to push through the crowd

into the French Concession, the foreigner is abruptly stopped by a wild cry from the Japanese sentry, who skillfully captures the goose. The indignant protestation of the foreigner attempting to explain his nationality and the destination of the goose are drowned out by the frantic cluck-clucking of the goose itself, desperately trying to escape the iron clutch of the Japanese sentry with his fixed bayonet. Finally the foreigner, realizing the hopelessness of his explanations impressing the hostile sentry, pushes his way, sans goose, past the sympathetic and laughing Chinese crowd into the French Concession. A short conference then follows between the Japanese and Annamites concerning the fate of the goose, the apparent upshot of which is a decision to return the goose to the foreigner. The Annamite thereupon calls to the foreigner, beckoning him to return. The latter, proud and hurt, refuses at first, but finally is prevailed upon to take back his goose amid the general mirth of the spectators.

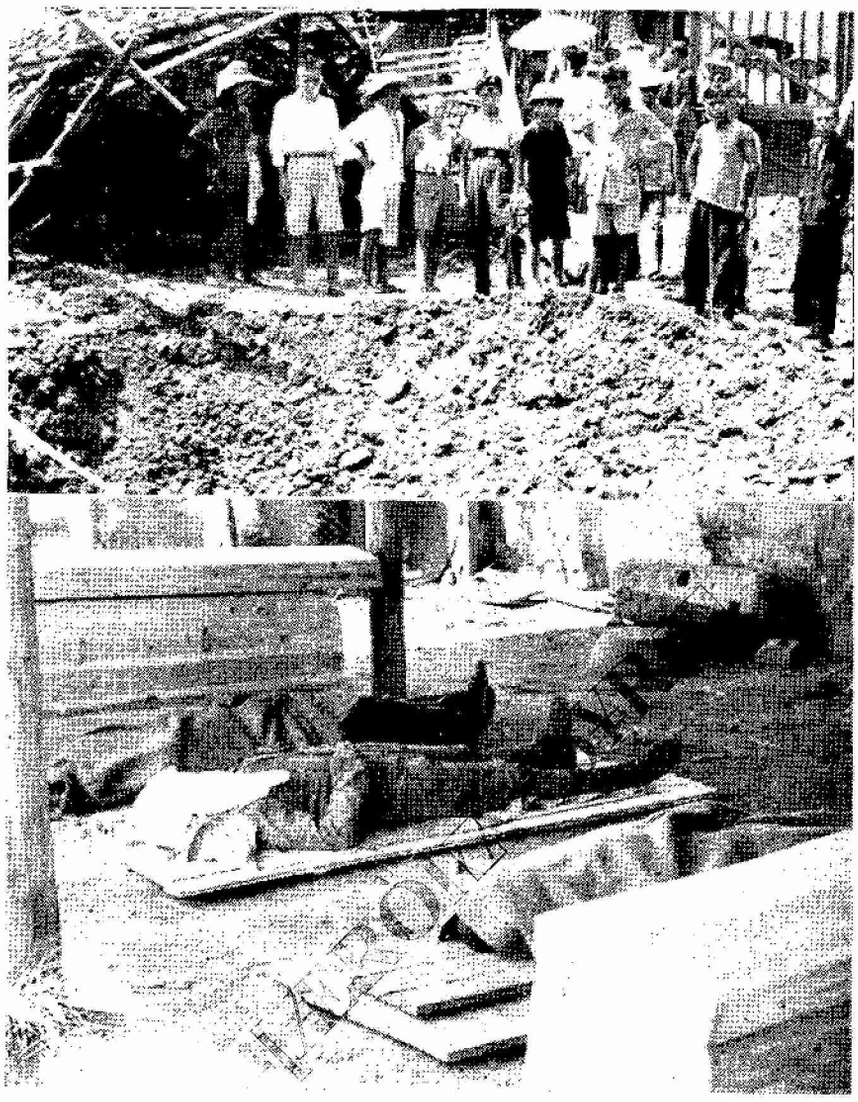
After a Terrorist Act

An anti-climactic touch to this amusing incident is suddenly furnished by the abrupt appearance of squads of Japanese marines with machine-guns, who immediately proceed to occupy co-called strategical points near the entrance to the French Concession. Martial law has been declared, and all street movement is paralyzed. Foreign spectators, already accustomed to this repeatedly annoying occurrence, are grumbling about this imposed delay in getting to their work, and wondering which Prince or General is passing this time.

It was soon revealed that a terrorist act had been committed in the ex-British concession, but the Japanese gendarmerie, instead of searching this area for suspects, immediately used the incident as a pretext to occupy and search the French Concession, which was still allegedly a hornet's nest of "bad characters."

Martial law was enforced all that afternoon. In the French Concession, the Chinese were not allowed to move or leave their homes, while a rigorous house-to-house search was made by the Japanese gendarmerie, aided by the French police. The heart of Frenchtown itself looked as if an air-raid alarm might have sounded. Thousands of motionless Chinese were massed on the streets, their eyes riveted upon the Japanese and French police chiefs stationed in the center of the square. Chinese suspects were being publicly questioned. After hours of this grilling, a signal was suddenly given, and as if acting on the impulse of an all-clear signal after an air-raid alarm, the masses of Chinese quickened to life again. No guilty person had been found in the French Concession, and martial law was suspended.

Air Bombings Before Hankow Fell



These pictures were taken by the author of the accompanying article prior to the Japanese occupation of Hankow. They show (above) a huge crater caused by a Japanese aerial bomb and (below) some of the victims of such attacks.

Ewo Mills Report Record 1938 Profit

Profits that were the highest in the company's history were reported for the year 1938 at the eighteenth ordinary meeting of shareholders of the Ewo Cotton Mills, Ltd. on Apr. 27 by W. J. Keswick, the chairman. The credit balance in profit and loss account, he stated, stood at $5,469,404.84 as at Dec. 31, 1938. Proposals were adopted to write down plant, machinery, buildings and other fixed assets by $450,000, to reimburse the "equalization of dividends" reserve to the extent of $150,000 (bringing this reserve up to $1,350,000), to allot $600,000 for "modernization of machinery reserve," and to pay bonuses totalling $150,000 to the staff. A final dividend of $2.75 was passed on ordinary shares, bringing the total dividend for 1938 up to $3.50 per share, while the fixed eight per cent dividend was passed on preference shares.

Referring to prospects for business in the coming year, Mr. Keswick said that many difficulties and obstacles still confronted trade. But there were two reassuring points to which he drew attention: "firstly there is a very real shortage of both yarn and cloth in the interior and, secondly, we face the future with a strong and solid balance sheet."

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47 New Buses On Order For the Settlement

A profit for 1938 of $612,064.46 was reported at the annual meeting of shareholders of the China General Omnibus Co., Ltd. on Apr. 20. An eight per cent dividend was declared. C. J. Meager, chairman, said that the company had on order 26 additional double deck and 21 single deck buses, delivery of which would commence in May. This was necessitated by the greatly increased traffic, since the bulk of the population of the International Settlement is still being accomodated in about half of the normal Settlement area. In addition, refugees were still coming to Shanghai from outlying areas, he pointed out.

Resignation of U. S. Navy Secretary Said Imminent

The resignation of Mr. Claude A. Swanson, Secretary of the Navy, who is 77 years of age, is believed in Washington political circles to be imminent, *Transocean* reported April 27. President Roosevelt was said to be of the opinion that Secretary Swanson is too old to cope with the constantly-growing demands and responsibilities of his office. It is believed that his replacement by a younger man has become all the more urgent in view of the fact that the Under-Secretary of the Navy, Mr. Charles Edison, is at present on the sick list, the German agency said.

Earthquake Wreaks Havoc in Northernmost Honshu

Akita Prefecture in the northernmost portion of Honshu, main island of Japan, was visited by a violent earthquake on May 1. At least 18 persons were killed, seven missing and 27 injured, while material damage included 573 totally demolished houses and 1,028 badly damaged, *Domei* reported.

Worst hit was Ojika peninsula, where 70 houses of a fishing hamlet were reported to have been engulfed in the sea. Haraido village, on the western shore of Lake Hachirogata was levelled, with 500 houses badly damaged and 20 totally demolished. Another village north of Haraido suffered demolition of 259 houses, with 160 partially wrecked.

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of the Review.

April 16

Chungking claimed successes on various fronts. Tsengcheng, important city east of Canton, and Tungshu, south of Kaifeng, reoccupied on April 14. Severe fighting continuing in west and south Shansi, where the Chinese have captured Fushan. In west Suiyuan, the Chinese are attacking Tailiang, 10 miles east of Anpeh.

Reports from Japanese sources admitted the Chinese offensive in North China. They confirmed heavy fighting now raging in south Shansi, in Honan near Kaifeng and at Shihchiachwang on Hopei-Shansi border.

Sir Archibald Clark Kerr, British Ambassador to China, arrived (yesterday) at Kunming, capital of Yunnan, en route to Chungking.

Nelson T. Johnson, American Ambassador to China, now on leave in the United States, scheduled to return to China on May 1, according to Washington report.

Al Patterson, China representative for the United Aircraft, revealed in Honolulu (yesterday) that he had completed a deal for US$15,000,000 worth of American aircraft with the Chinese Government. Said that China's air force was undergoing complete reorganization and would soon emerge with a powerful fleet of new planes.

Dr. Hu Shih, Chinese Ambassador in Washington, called (yesterday) on the State Department, and inquired why China was not included in the list of nations whose integrity President Roosevelt proposed to guarantee, in his recent peace appeal to Hitler and Mussolini. Nature of the State Department's reply unrevealed.

All Chinese Government offices except the ministries of War, Foreign Affairs and Finance have now completed preparations for establishing new offices within a radius of 70 miles outside Chungking, according to official announcement. This step is being taken in order to avoid possible damage from future Japanese air raids.

The Japanese declared (yesterday) martial law in Hankow. A special municipality for the three Wuhan cities, replacing the present "Wuhan Peace Maintenance Commission," soon to be set up.

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April 17

Canton shortly may be recaptured by Chinese forces, who are launching a mass attack along Canton-Hankow, Canton-Kowloon and Canton-Samshui Railways. Artillery fire audible in Shameen. Recapture of Huahsien and Tsengcheng now gave the Chinese dominant control of practically the entire Kwangtung front, according to Chungking military spokesman.

Chinese air force recently very active, giving valuable assistance to the landed forces in their attacks against the Japanese on various fronts. Hangchow Japanese airdrome raided on April 1 and 13. Japanese positions in South Shansi bombed.

The Japanese claimed capture (April 15) of Kachek, second largest commercial city on Hainan Island.

A total of 22,199 Japanese soldiers was killed in 323 engagements in the first half of April in all war areas in China, according to announcement by Chungking military authorities. Of the total number of battles, 73 engagements were staged on the Hupeh front, while fifty were waged on the Kiangsi front.

A manifesto purportedly issued by the Shanghai Branch of the Chinese Communist Party, circulated to all newspapers in Shanghai, made a violent attack on Britain and France and urged "China's eternal union with Soviet Russia." The alleged red circular later was discovered faked, emanating from Japanese sources, was printed on Japanese paper and circulated through post office without interference by Japanese censors; Chungking spokesman of the Chinese Communist Party, when informed of the propaganda sheet, denied that the Party had anything to do with it, saying that it was distributed with the intention of harming the existing relations between the Kuomintang and the Communist Party.

Of China's come 4,000 public and private libraries, more than 2,500 are in the war areas. Of these, hundreds have been destroyed by Japanese bombs and shells, while the rest either have been occupied or looted, according to the latest issue of the fortnightly published by the Chinese Librarians' Association in Kunming.

In circular orders to business firms in Shanghai, the Ministry of Finance urges the commercial establishments to pay the outstanding income and excess profits taxes for the years 1937 and 1938 as soon as possible.

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April 18

General Chiang Kai-shek declared in press interview at Chungking, "In existing existing circumstances, there is no possibility of peace." China took up resistance, he said, for the preservation of her national life, her liberty and her independence, and the war would continue until these aims had been achieved. Nothing could shake the confidence and determination of the Chinese people to resist. Japan, Gen. Chiang further stated, had been reduced to the rank of a second rate Power as a result of China's prolonged resistance; and the time was bound to come when the Japanese people could no longer bear the strain of war. The conflict would come to an end, he believed, when the Japanese militarists realized their mistakes and abandoned their attempt to conquer China.

Circular notice issued by the Ministry of Foreign Affairs to all foreign consulates, strictly prohibiting the taking of photographs at wharves, airfields, public offices, barracks, store-houses, docks, factories and meeting places within the area under the control of the Chungking defence command.

World Powers should "reconsider" their attitude towards China in the light of the "new state of affairs in East Asia," declared the Japanese war minister, Gen. S. Itagaki, in press interview at Tokyo yesterday. Foreign aid to China said cause of China's resistance. "Deliberate disturbance of peace in Far East" by the West charged.

Concerted Chinese offensive now being waged on the Han River front in Hupeh, with a view to preventing the Japanese from concentrating their troops for an advance on Hsingyang and Fancheng in the area north of Ichang and in the west. In central Hupeh, some 1,000 Japanese troops reported killed in a two-day battle near Heiliutu, west of Yokow.

In view of the mass Chinese offensive on Canton, the Japanese are rushing reinforcements to the city, according to foreign reports from Hongkong.

The National Government made representations to the French authorities in Indo-China, calling their attention to the fact Japanese warplanes flew over Indo-China territory on April 13 in carrying out a bombing raid over Mengtze, important railway town in southern Yunnan.

Kuling, Kiangsi mountain resort, claimed captured by the Japanese. One hour before the arrival of the Japanese, the Chinese troops left Kuling, retreating through nine mountain passes, according to Dr. H. G. Barrie, British physician, one of the foreigners marooned in Kuling. There are altogether 76 foreigners of various nationalities in Kuling, all reported safe.

Chinese guerilla troops have recently been active in Kirin province of "Manchukuo," Tokyo newspapers admitted today.

Threatening letters signed by the so-called Chinese Patriotic Youths' Salvation Association received by **The China Weekly Review** and six foreign-owned Chinese dailies in Shanghai warning that if they "persist in continuing their absurd opinions and do not awaken," they will be treated with "bombs and bullets." Another Japanese-inspired circular addressed to the Chinese residents in Shanghai, warning them against further display of Kuomintang flags, accompanied by similar threats.

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April 19

Nanchang, Kiangsi capital, now practically surrounded by Chinese troops. One Japanese unit, attempting to break through the Chinese cordon by crossing the Fu river, reported wiped out by machine-gun fire.

On South China front, Chinese troops recaptured Sheklung. The main Chinese column, advancing along Canton-Hankow Railway, said to have reached a point only 10 miles from Canton.

Chinese drives in southern Shansi also making progress. Foushan, Anchih, Puhsien and Chihsien all reported recaptured. Large bodies of Japanese troops concentrated at Linfeng on the Tungpu Railway, planning to counter-attack the Chinese in the reoccupied cities.

Japanese official dispatches claim that Russians are assisting the Chinese offensive in South Shansi. Russian tactics and methods of firing said being employed by the Chinese artillery on this front.

Notes of the Japanese "Federal Reserve Bank" of North China suddenly dropped in value in relation with the Chinese national dollar. The puppet money now being accepted in Tientsin at 25% discount.

Premier Neville Chamberlain announced in the House of Commons that Britain was considering to include the

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Chuhsien	Kweilin	Kweiyang	*Mienyang*
AMOY	TIENTSIN	*Panhsien*	*Loshan*
Foochow	Peiping	KUNMING	*Kwangyuan*
Tsinkiang	NANCHANG	*Mengtsz*	*Santai*
Nanping	*Kian*	CHUNGKING	*ICHANG*
Chienou	*Linchwan*	Chengtu	*Hankow*
Pucheng	Chengchow	*Wanhsien*	Changsha
Santuau	Kaifeng (Nanyang)	Ipin	Changteh
Kulangsu	*LOYANG*	Yaan	*Hengyang*
CANTON	Sian	*Kiangtsing*	*Lingling*

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Far East in the anti-aggression coalition. This intention on the part of the British Government was first revealed by the Foreign Secretary Lord Halifax on April 18, when Dr. Quo Tai-chi, Chinese Ambassador at London, called at the Foreign Office.

Chinese shops in the French Concession in Shanghai suspended business this afternoon as a protest against the seizure of Chinese national flags by the French municipal police resulting in clashes between the police and shop owners. Several shop keepers were injured and many arrested. The occasion for the hoisting of the national flag was the observance of the National Spiritual Mobilization Movement sponsored by Gen. Chiang Kai-shek.

Gen. Chang Hsueh-liang, better known as the "Young Marshal," leader of the 1936 Sian uprising, said to have been given an important military post by Gen. Chiang Kai-shek and to have been ordered to lead the former Northeastern Army to fight the Japanese in Manchuria.

Sir Archibald Clark Kerr, British Ambassador to China, arrived at Chungking. Speculation rife as to whether the British envoy has brought with him any Japanese peace proposals.

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April 20

Major battle looming in North Kiangsi, where the main Japanese forces between Chingan and Wuning are preparing to extend the hostilities along the shores of the Tungting Lake in Hunan. Anticipating the Japanese move, the Chinese defenders in this area stated fully prepared for all eventualities.

According to **Sao Tang Pao,** organ of the Chinese army in Chungking, fighting is still continuing in Kuling and the Japanese have not yet completely occupied the mountain resort. The hills in the area said littered with Japanese dead following a 2-day battle.

Heavy fighting now going on along the Tungpu Railway near Wutaishan in northern Shansi. Chinese aircraft bombed Japanese troop concentrations at Taiyuan, Houma and Taiku. Chinese counter - offensive in Shansi said successful in all areas.

Chinese shops in French Concession in Shanghai reopened following adjustment of the incidents, caused by the official ban on the hoisting of the Chinese national flag and police seisure of the flags. Chungking watching closely the incident and considering making representations to the French Embassy.

The Japanese report stating that Britain has offered mediation in the Sino-Japanese hostilities denied in official quarters in London.

New puppet Wuhan Municipality formed with Chang Ching-fu as "mayor."

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April 21

Continuing their advance unchecked, Chinese storm troops said to have reached the suburbs of Canton. One thousand Japanese troops defending Peitan defeated when outflanked and surprised by Chinese forces. Hsinhui in southern Kwangtung claimed recaptured by the Chinese.

In South Shansi, Chinese troops continue to press forward their offensive. Japanese garrisons at Hsiahsien, Wenhsi, Chianghsien and Yicheng said completely encircled. Three thousand Japanese troops claimed killed this week during Chinese attacks on Wenhsi and Hsiahsien.

Heavy guerilla fighting reported along Peiping-Hangkow Railway and Kweishui-Paotow sector of Peiping-Suiyuan Railway.

Japanese war ships active in Tungting Lake in Hunan. Chinese authorities anticipating a Japanese attack along the lake and also in West Hunan while concentrating their main drive to the south from Yoyang to Changsha, Hunan capital.

According to foreign reports from Peiping, Chinese guerillas recently wrecked a long Japanese military train on Peiping-Hankow Railway and blew up the Toli coal mines, 25 miles to the southwest of Peiping.

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April 22

Chinese forces converging on Canton from the southwest and the northwest said to have succeeded in forming a common 90-mile front stretching from the North Bank of the East River in a semi-circle around Canton. As result of the most recent operations, the Chinese forces claimed to have captured more than 5,000 square miles of territory around Canton. Tsunghua, important town 30 miles northeast of Canton, claimed recaptured by the Chinese. Japanese garrison of the city said wiped out.

During the past 20 days, the Chinese have recaptured over 70 important towns on various fronts, including Tsengcheng in Kwangtung, Kaoan in Kiangsi, Ihsing and Pihsien in Kiangsu, according to Chungking military spokesman. Despite these gains, the spokesman said, the Chinese had not yet launched their general counter-offensive.

Since his arrival at Chungking on April 19, Sir Archibald Clark Kerr, British Ambassador to China, has interviewed the various government leaders, including General Chiang Kai-shek, Foreign Minister Dr. Wang Chung-hui and Dr. H. H. Kung, President of the Executive Yuan. Nature of Sir Archibald's conversations unrevealed, but Chinese circles characterize the reports regarding the possibility of Sir Archibald carrying Japanese peace terms as indicative of Japanese desire to make peace.

Contracts for the purchase of more than 100 American airplanes, aircraft engines and equipment, to a total value of US$7,000,000 to US$15,000,000 are being negotiated, according to the **New York Times.**

Rise of a new, vigorous civilization, destined to have great influence over the world in the future, in Eastern Asia, seen by far-sighted observers in London, according to an article in the **Manchester Guardian.** China's development of her western provinces said of greatest significance.

Yoshiaki Miura, Japanese Consul-General in Shanghai, presented (yesterday) to Shanghai Municipal Council the following three demands:

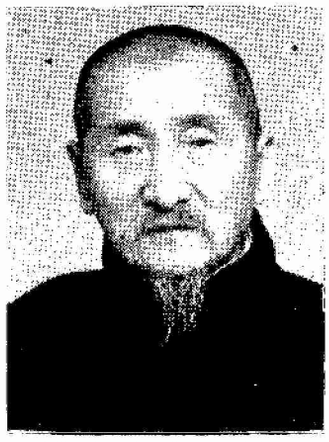
1. The prohibition of the Chinese National Spiritual Mobilization movement in the Settlement;
2. The dissolution of the Shanghai Federation for the National Spiritual Mobilization Movement, and
3. The prohibition of the publication in newspapers of instructions related to the National Spiritual Mobilization Movement issued by various Chinese organizations.

Trade in wolfram and antimony in South China monopolized by the Japanese authorities in Canton, the monopoly being awarded to three Japanese firms, namely, Mitsui Bussan Kaisha, Mitsubishi Shoji Kaisha, and Sugihara Sangyo Kaisha.

Japan's war against China made possible only by the Western nations providing supplies, declared Quo Tai-chi, Chinese Ambassador in London, in a speech (yesterday). Japan could not continue the war for six months longer, without imports from the West, he said. Boycott of Japan's exports and an embargo on her imports would bring the conflict to an end. Dr. Quo attacked the policy of appeasement. Appeasements, he said, were only appetizers.

Who's Who in China

Prince Sha (full name Sha-keh-tu-erh-chapu), Mongolian leader; born at Chasakeh Banner, Ikhchao League of Inner Mongolia, 1875; graduate of the Mongolian Language School; Vice-President of the Ikhchao League; member of the Suiyuan Provincial Government; Vice-President of the Mongolian Autonomous Political Council at Pailingmiao; now President of the Ikhchao League, Garrison Commander of Ikhchao League, Chairman of the Suiyuan Mongolian Local Autonomous Political Council, Pacification Commissioner for Inner Mongolia, and State Councillor of the National Government; arrived at Chungking in the winter of 1938 and is now assisting the government in the war of resistance against Japan; author of "Mongolian Song"; address: No. 5 Hsin Chuen, Liang Lu Kao, Chungking or Chasakeh Banner, Ikhchao League, Inner Mongolia.



沙王（沙克都爾札布）字魁占

Prince Sha

Crack-Up Ends Soviet Polar Flight to U.S.

Attempting a non-stop flight from Moscow to New York by way of the North Pole, two Soviet airmen, V. Kokkinaki and M. Gordienko, flying a twin-engined monoplane, came down in a forced landing on rocky Miscou Island at the northeast point of New Brunswick in the Gulf of St. Lawrence on April 29. The plane was damaged and Kokkinaki was believed to have sustained several broken ribs. The Soviet fliers were forced down in a mist when within 700 miles of New York, where they hoped to arrive in time for the opening of the New York World's Fair.

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'Liquidation' of Navy Commissar Confirmed

The "liquidation" of the Soviet Commissar of the Navy, M. Frinovsky, reported April 19 by the German *Transocean* agency, was officially confirmed April 29 when the official Soviet agency, *Tass*, adhering to the new technique in reporting such matters, announced the appointment of Frinovsky's successor without mentioning Frinovsky's name, much less the fact that he had been removed from office. The *Tass* message, dated from Moscow, read: "The Presidium of the Supreme Soviet of the U.S.S.R. has appointed Nicolai Kusnetsov as the People's Commissar of the Navy of the U.S.S.R." Good luck, Kusnetsov!

Nippon Boycotters Burn British Goods

Several hundred cases of "Ruby Queen" cigarettes—a brand manufactured by the British-American Tobacco Company—were piled up and burned by Japanese soldiers in Anking, Anhwei province, as part of the program of anti-British activities inaugurated in that city, according to a Chinese telegram from Tungchi (Anhwei) on Apr. 24 and published in the *North-China Daily News* of Apr. 26, which stated that goods manufactured by other British firms were also destroyed. Anking, the telegram is understood to have said further, is plastered with anti-British posters containing the slogans: "Boycott British Goods" and "Down with British Imperialism."

British Protest Ship Seizure

Reuter reported from Hongkong on Apr. 26 that a strong protest has been lodged with the Japanese authorities over the seizure on Apr. 8 of the British ship *Sagres*. With Captain J. M. Morren in command, the vessel was seized by the Japanese Navy off the Fukien coast while proceeding to Foochow from Amoy with a cargo of salt.

The officers and crew were transferred to the Japanese ship *Canton Maru* and taken to Hongkong from the Pescadores, where the British vessel is being held while Japanese authorities investigate her "right to fly the British flag." The *Sagres*, it is understood, belongs to Williamson & Company and was under charter to the Douglas Steamship Company at the time she was seized.

20 Vessels Now Held

According to a report in the *Shun Pao*, 20 other vessels of foreign registry engaged in the coastal trade are now being held by the Japanese authorities following recent seizure. Of the total, the paper said, 13 are Portuguese, three Greek, two Norwegian, one Hungarian and one Brazilian.

Early this week it was reported by the *Wen Hui Pao* that the German Consul-General in Shanghai had protested to the local Japanese authorities against the detention of the German ship *Tienpao*. The ship was boarded near Tinghai and compelled to steam to Woosung, the report said.

American Shipping to Lead in the Pacific

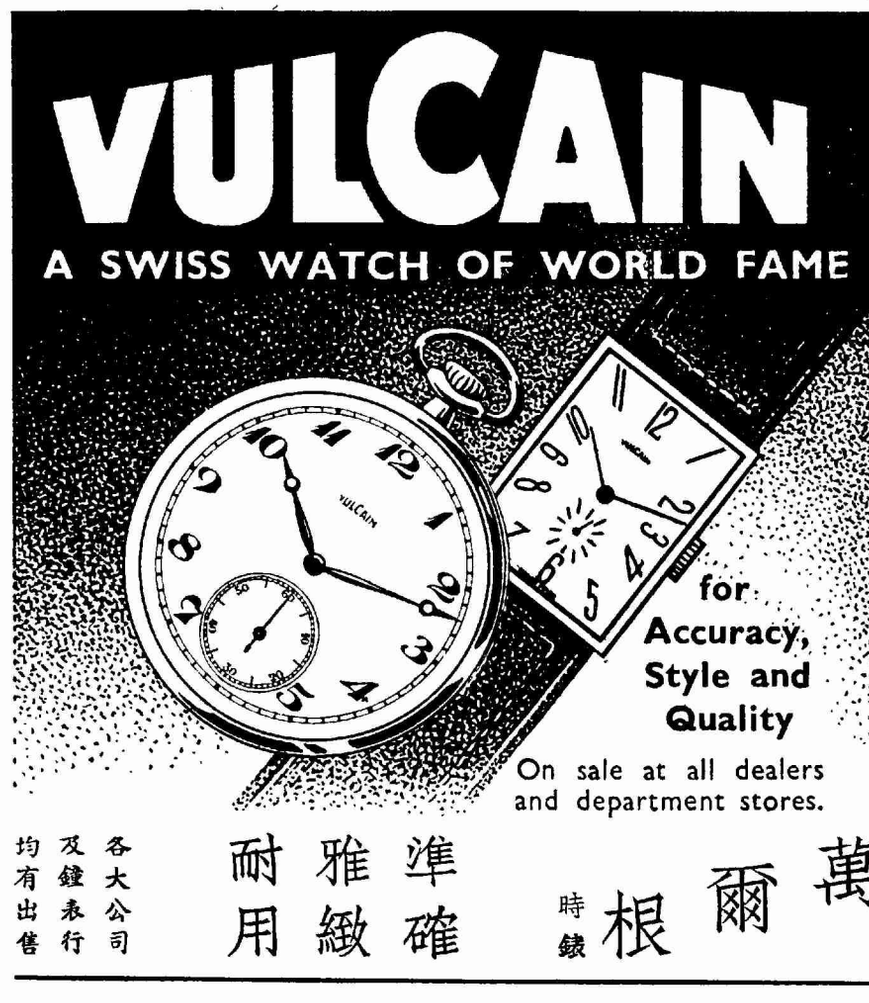
Barring a possible general war, the United States will exceed all other nations in trans-Pacific shipping within two years, former Senator William Gibbs McAdoo, chairman of the American President Lines, predicted in Washington last week following several conferences with the Federal Maritime Commission, *United Press* reported.

He said the President Lines are expecting to add three new 25,000-ton ships to their trans-Pacific fleet and six additional new vessels, probably of 15,000 tons, to the round-the-world fleet. These ships are expected to be in service within two years, he said.

The President Lines are doing "exceedingly well" in trans-Pacific shipping. He predicted steady improvement of conditions for the company "if normal conditions continue."

The U. S. Maritime Commission Chairman Rear-Admiral Emory S. Land, predicted that the extremely dangerous foreign situation may prompt the Government to expand its program for rehabilitation of the merchant marine.

He said the efficiency of a navy is impaired without a strong merchant fleet to feed and fuel the navy in times of emergency.



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Men and Events

The Tokyo *Asahi* announced on April 19 that 3,187 men are to be decorated for participation in the capture of Hsuchow—*and Nanking!*

*

Industrial note from the Tokyo *Hochi* (April 19): "The Japan Flour Company decides to 'advance to Hankow' by taking over the management of two Chinese mills."

*

The Reverend Mother Superior of the Convent of the Sacred Heart presided at the dedication of a new building at Aurora College for Women, 181A Rue Bourgeat, French Concession, on Saturday, April 29.

*

The U. S. Senate Interstate Commerce Committee, on April 28, voted in favor of recommending passage of a bill to prohibit the advertising of alcoholic beverages by radio in the United States.

*

Makoto Den, head of the foreign department of the tourist division of the Tokyo Ministry of Railways, has been appointed vice-president of the Japanese Central China Traffic Company, according to a report in the *Asahi* on April 21.

*

Some 50 members of the Tokyo Businessmen's Guild will make a 24-day economic inspection of North and Central China, beginning on June 1, according to *Domei* report from Tokyo. The group will visit Shanghai, Nanking, Hangchow, Tsingtao, Tsinan, Tientsin and Peiping.

*

Miss Doris Rubens, who represented the *United Press* at Hankow and for several months was the only American correspondent in that city, arrived in Shanghai last week aboard the U. S. S. Oahu and plans to remain here for some time.

*

J. B. Powell, editor of *The China Weekly Review*, addressed the members of the Shanghai branch of the St. John's Alumni Association, on Wednesday, April 26, on the subject, "Europe and China." The meeting was held at the Chinese Y.M.C.A. The Chairman was E. T. Tsu, business manager of *The China Press*.

*

Shigeo Nishimura, Japanese Parliamentary Vice-Minister of War and Hiroshi Nakaigawa, Parliamentary Councillor of the Ministry of War, departed from Tokyo on April 29 on a three weeks' tour of Central China. They planned to confer with commanders of Army detachments on all Central and North China fronts.

*

The China National Aviation Corporation has announced plans for inaugurating airmail and passenger services between Chungking and Anting, capital of Sikong Province in the Northwest. A trial flight is scheduled for early in the present month.

*

The Indian Prince, Maharajah of Kapurthala and his son, accompanied by a number of retainers, visited in Shanghai last week on a trip around the world. The party was met at the jetty by G. W. Creighton of the British Consulate-General and the International Settlement provided a police escort. The Prince, who rules a state of some 650 squate miles, is rated as one of the richest men in the world. He holds decorations from France, Rumania, Egypt, Morocco, Tunisia, Peru and Cuba and possesses a number of orders from Great Britain.

J. A. Ribeiro de Melo, Consul-General for Portugal has assumed charge in Shanghai following the departure of Dr. A. J. Alves, who has been appointed Consul-General in New York City. Mr. Alves, accompanied by his wife and son, departed from Shanghai for the United States on Sunday, April 30.

*

According to a recent inspection by the Public Health Department of the International Settlement, there are now 42 camps for refugee Chinese, which have 40,951 inmates, within the Settlement. The number of refugees in the French Concession has not been announced.

*

Miss Lee Ya-ching, Chinese aviatrix, who is now flying about the United States delivering lectures under the auspices of relief organizations, has been employed by Paramount to participate in a new picture entitled "Disputed Passage," which stars Dorothy Lamour. Miss Lee was given a screen test on April 27 but was greatly surprised when she was offered a contract for a feature role.

*

Col. J. L. Huang, for many years head of the Officers Moral Welfare Association at Nanking, but recently head of the "New Life" movement, was married on April 27 to Miss Lucille King. The ceremony was held at the home of Dr. Wang Chung-hui, Minister of Foreign Affairs, in Chungking, with George A. Fitch of the Y. M. C. A. officiating.

*

The Tokyo Ministry of War has sent 30 prints of a Japanese-made film depicting the activities of Japanese troops at the capture of Hankow and reconstruction works by the Army in Central China, to Japanese communities in various parts of the world. The film is entitled, "Hankow." Special attention has been directed toward Japanese communities in North and South America and the South Seas, according to the report.

*

Shingoro Takaishi, chairman of the Board of the *Nichi-Nichi*, leading Japanese newspaper, staged a farewell golf match in honor of the American Ambassador to Japan, Joseph G. Grew, at the Koganei gold links on April 21. Guests included Prince Konoe, former Premier; W. Thurnheer, Swiss Minister; and members of the staffs of the American and British Embassies.

*

The Japanese-Chinese War was cited as one of the reasons for heavy losses in the export department of the Long-Bell Lumber Company of Kansas City, Missouri, according to the company's report of operations for 1938, recently issued. The company owns log and timber operations at Longview, Washington; Klamath Falls, Oregon, Dorris and Weed, California, from which places extensive shipments of lumber to China are made under normal conditions.

*

The Rev. George W. Shepherd of Auburndale, Massachusetts, who has been associated with General and Madame Chiang Kai-shek for several years, is now in the United States delivering lectures on behalf of the Church Committee for China Relief, an organization which embraces some 90 percent of American Protestantism and in addition several Jewish and Catholic groups. The organization began canvassing for relief funds last year, its goal being $32,000 a week for relief of civilian refugees in China. Rev. Shepherd, who holds degrees from Phillips Academy, Harvard and the University of Michigan, has served as a missionary of the Congregational Church in China for 18 years,

J. E. Covington of the Universal Leaf Tobacco Company, returned to Shanghai this week after a trip to the United States.

*

Miss N. Vander Starr, vice-president and secretary of the Asia Life Insurance Company, returned to Shanghai this week after a year's absence in the United States.

*

Major M.A. Edson of the U.S. Marine Corps was the chief speaker at a luncheon meeting of the American University Club, held at the American Club on Friday, April 28. Major Edson spoke on "America's Place in the Air." The University Club has announced a farewell party in honor of Admiral H. E. Yarnell, Commander-in-Chief of the U. S. Asiatic Fleet, for Friday, May 19.

*

War or no war, Japanese or no Japanese, Shanghai continues to receive regular shipments of Shaoshing wine, most popular liquid stimulant among the Chinese people, according to a report in the *China Evening News*, stating that 5,000,000 jars, valued at $20,000,000, have been received here. Taxes amounting to $5,000,000 have been paid to the officials of Chekiang where the wine is produced. Shaoshing wine is made from rice.

*

The National Federation of Chinese Goods Manufacturers and Distributors is planning an exhibition of all Chinese-manufactured goods in the Shanghai district, according to a report in *The China Press*. The exhibition, designed to advertise the continued existence of Chinese manufacturing enterprises, located in the International Settlement and French Concession, probably will be held at the New Native Goods Market on Bubbling Well Road. The date of the exhibition will be announced shortly.

*

Spanish Phalangists in Shanghai, many of whom are connected with the Hai-Alai concern in the French Concession, held a celebration in honor of the victory of Gen. Francisco Franco in Spain. The meeting was held at the Casa d'Italia on Route Maresca and was attended by several German Nazis and Italian Fascists. A speech was delivered by C. Rubio, leader of the Phalangists, who reaffirmed Spain's solidarity with the anti-Comintern powers.

Funeral services for the late Mrs. Edith Wright Stauder, wife of E. P. Stauder, were held at the Kiaochow Road Chapel on April 26, by the Rev. John L. Caughey of Community Church. Mrs. Stauder was born at Urbana, Illinois on August 31, 1891 and had resided in Shanghai for the past eight years.

*

Community Church of Shanghai announced a Beethoven Concert at the Church Auditorium, 53 Ave. Petain, for the evening of Thursday, May 4, the proceeds to be devoted to the fund for refugee Chinese children and the Church organ fund.

*

Fu Siao-en, Mayor of the Japanese-controlled Greater Shanghai Special Municipality, returned to Shanghai on April 26 from a month's stay in Japan as the guest of the Japanese Government. While in Tokyo he attended a conference of mayors of Chinese and Japanese cities which was held under the auspices of the Tokyo Ministry of War. The conference voted unanimously to form a Far Eastern League of Cities embracing cities with more than 200,000 population in Japan, China and Manchukuo. Mr. Fu was welcomed back to Shanghai by a large number of local Japanese Army and Navy officers.

Madame Chiang Kai-shek was awarded, on April 29 a gold medal of honor by the New York Federation of Women's Clubs. The meeting where the ceremony was held was attended by 150 women's auxiliary leaders. The medal was received by the Chinese Embassy in Washington on behalf of Madame Chiang, last February, and was forwarded to Chungking where it was officially presented to Madame Chiang by Miss Katherine Boeye, president of the International Women's Club of Chungking. Women who have previously received the medal included Lady Ralph Paget, Miss Evelyn Garnaut Smalley and Mme. Marie Curie, discoverer of radium.

*

A Chinese boy and girl, each 19 years of age, went to a room in the Tung Fong Hotel on Yu Ya Ching Road, on Friday night of last week, and after signing a suicide pact drank a quantity of lysol. The girl, whose name was Miss Hsu Mei-tseng, died, while the boy, Yih So-di, was taken to St. Luke's hospital in a critical condition. The tragedy resulted from an attempt on the part of the boy's father, proprietor of an incense shop on Fokien Road, to force the son to marry a girl named Miss Han whom the father had selected. The boy and his real sweetheart, signed the suicide pact on the eve of the day his father had selected for his marriage to the other girl.

CHILDREN'S SPRINGTIME AILMENTS CAN BE QUICKLY CORRECTED WITH BABY'S OWN TABLETS.

Springtime is a trying period for children; they seem to be more susceptible to ailments then than at other times of the year. The weather changes and warmer temperature affect them, and they get 'off colour', suffer from colds, stomach and bowel disorders.

The ideal health-corrective for children's spring ailments is Baby's Own Tablets, and wise parents will keep them handy at all times. At the first signs that all is not well, the child should be given a dose of these pleasant-tasting tablets; their mild laxative action gently yet speedily clears the intestines, sweetens the stomach, relieves congestion and restores regularity.

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Dr. T. T. Li, for several years director of the Publicity and Intelligence Department of the Ministry of Foreign Affairs of the National Government at Chungking, has been appointed Minister to Cuba. According to the *Wen Hui Pao* Dr. Li will be succeeded by Dr. Kuo Ping-chia, former Professor of History and Political Science at the National Central University.

*

Three new officials have arrived in Shanghai to join the local German diplomatic and consular establishments. Dr. Heinrich Northe, formerly with the German Legation in Mexico City, will become Counsellor of Legation here. Dr. Horst Boehling, formerly with the German Consulate-General in Batavia, will become an Attache of the Embassy. Franz Ferring, formerly connected with the German Embassy in Paris and the Consulate-General at Hongkong, will join the Consulate-General here as an Attache.

*

The Japanese-owned newspaper, *Hsin Shun Pao*, published in the Chinese language in Hongkew, has been taken over by the Japanese newspaper *Tairiku Shimpo* and will be published in its plant in future. The *Hsin Shun Pao*, an obvious imitation of the long-established Chinese paper, *The Shun Pao*, was started during the hostilities at Shanghai and for a considerable time was distributed over the Chinese lines by Japanese airplanes. Much of its news and editorials consisted of attacks on Gen. Chiang Kai-shek and the National Government.

*

Baron and Baroness von Boetzelaer, who were delegates to the convention of the International Missionary Council at Madras last December, arrived in Shanghai last Sunday for a visit here in connection with an investigation of Christian missionary work which they are making in India, Burma, China and Japan. The Baroness is one of the two vice-presidents of the Council, a position to which she was originally appointed at the previous convention in Jerusalem in 1928.

*

The Chinese Catholic Bishop Paul Yu Pin, who is now traveling and lecturing in the United States, was the guest of honor at a dinner in Boston on the evening of March 30 which was attended by more than 500 Americans and Chinese. Among those attending were the Governor of Massachusetts and the Mayor of Boston. Bishop Yu Pin devoted his address to the aggressive activities of Italy and Japan.

*

The China division of the Seventh Day Adventist Church has suffered losses running into many thousands of dollars, according to a report issued at the annual convention of the Mission which has been in session in Shanghai for several days. Among properties completely destroyed was the China Training Institute, located between Nanking and Chinkiang on the Shanghai-Nanking Railway. While properties of the Mission in Shanghai suffered severely because of the Japanese invasion, most serious losses were suffered to properties located in the interior provinces. Membership in the 639 churches in China numbered 18,003. The force of workers includes 253 doctors and nurses, 325 teachers, 845 evangelists and 127 distributors of literature. The budget exceeds $1,000,000 annually, which recently has been increased by $750,000 for rehabilitation purposes. Among those attending the convention were W. H. Branson. head of the organization in China; W. E. Nelson, treasurer, and Claude Conrad, auditor, both of Washington, D. C.

Dr. George Sellett, American attorney, departed this week for Hongkong on a business trip.

*

Robert S. Ward, American Consul at Foochow, is now in Washington on leave. Mr. Ward formerly was stationed at Canton and Tientsin.

*

Lieut. Arthur Read, U. S. Army, retired, who has been serving as an instructor with the Chinese forces in southern and western China, is now lecturing in the United States.

*

Mrs. Margaret Hicks Williams, who has been visiting in Shanghai for several days, departed this week for Hongkong. Mrs. Williams was connected with the War Department at Washington for several years.

*

Miss Hilda Yen, daughter of Dr. F. C. Yen, chairman of the Chinese Red Cross, and niece of Dr. W. W. Yen, was seriously injured in an airplane crash near Montgomery, Alabama on May 1. Miss Yen has been lecturing in the United States on behalf of Chinese relief organizations.

*

Dr. William C. Johnstone, Professor of Far Eastern Relations at George Washington University, Washington, D. C., who has been in Shanghai for some time, departed this week for Hongkong, Kunming and Chungking. Later he will proceed to Manila for a brief visit prior to returning to the United States. Prof. Johnstone is the author of the book, "Shanghai Problem," regarded as a standard work. He is accompanied by Mrs. Johnstone.

Miss Ida Pruitt, formerly connected with the Peking Union Medical College and now a representative of the Industrial Cooperative Movement, has gone to the United States.

*

The national slogan in Japan today is, "Bear and Propagate Children of New Asia," according to an article in the *Hochi Shimbun* for April 21. The fact that the country will suffer a decrease of some 200,000 births this year has caused national alarm, according to the report. In order to encourage more and better babies the new Social Bureau of the Welfare Ministry has recommended that Government offices and private firms grant increases in salaries to the heads of families where babies are born. Since January the Bank of Japan has been granting salary increases of Y10 a month for a first-born, Y5 for a second, etc., etc., the allowances to continue until the children reach the age of 20.

*

Lieut. Col. Douglas H. Graves, 68-year old retired British army officer, now traveling in Japan, was quoted by the official *Domei* service in a dispatch from Kobe on April 28, to the effect that China was not "worthy of the name State." Col. Graves, who said he was born in Scotland, declared that he had once purchased some bonds of the Canton-Kowloon Railway but had only received one per cent of interest for one year, and had received nothing since. He expressed the belief that Japan would be victorious in the present war and stated that he noticed a striking resemblance between the Japanese and the Scottish race. Both excel in military feats, he said.

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Princess	220.00	£12.12.0—$340.00 approx
Prince	220.00	£11.11.0—$320.00 ,,
Imperial	350.00	£15.15.0—$435.00 ,,

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New Books of Interest in the Far East

Fight for Siberia

RED PLANES FLY EAST—By Piotr Pavlenko. Geogre Routledge and Sons, London. 8.6d.

The central theme of this book by Piotr Pavlenko, translated by Stephen Garry, is the great Soviet drive to convert Siberia into a modern state and defend it against the aggressiveness of Japan.

It is a remarkable novel in more ways than one. Its realism will seem almost too fantastic to some, as will some of the claims put forth of advance in the exploitation of Siberia. Although the scene is Siberia, the reader is taken to Manchuria, China proper, Siam, and even on a spectacular bombing raid on Tokyo, which is practically destroyed by Soviet planes.

When the order from Moscow said "exploit Siberia," one ariplane flew to the East. As ardent Communists begin work to develop the wilderness, more planes fly, until in three years "there were fifty degrees of frost, but four hundred air planes flew to the East."

The entire line of the Amur River is converted into a fortified zone, ready for the inevitable war with Japan. Groups of partisans work in Manchuria and Mongolia. When caught by the Japanese, their ears are cut off in order to receive bounty. Frontier guards, in sallies back and forth, are battered into misshapen masses of flesh; men and women freeze to death in the far north; spies flit back and forth; fighting dogs are bred, ready to repel the Japanese. Communist leaders fly here and there; a most perfect system of radio telephone controls all the workers and officials in Siberia, and the Soviets even conquer the atmosphere by placing invisible steel rope barriers at a height of seven and eight thousand meters, which shear through Japanese airplanes attempting to attack towns.

As the Soviets are forging to victory on land, in the air and in the sea (their submarines escape detection by traveling beneath Japanese battleships), the Japanese people enter the war and rebel, and the Chinese people enter the war, so that come what may, the organizational communistic work will go on, teaching a new life, creating a philosophy of beauty and honor.

An arresting, original book.

M.V.

Spirit of China

HEAVEN KNOWS—By Margaret H. Brown. London. Edinburgh House Press, 1938. 168 pages 2-6d.

This novel is a direct outgrowth of the Sino-Japanese hostilities in the Shanghai area. The author is an editor on the staff of the Christian Literature Society for China. She was an eye-witness of the terrible happenings of the fall of 1937 in Shanghai, and those events form the climax of her story.

Through the peasant family of Chang Yung-shan the story of many Chinese is told. Chang, the young farmer, believed that money was plentiful in Shanghai, that a comfortable life awaited everyone in the city. The final impetus to his flight from home was the favoritism shown his younger brother. Life in Shanghai showed itself unfriendly at every turn, and even after the arrival of his wife and child misfortunes continued. This section shows the difficulties of adjustment which are met by country folk who seek a livelihood in the city. The family was separated in the bombing near the Great World amusement center. Chang's life is changed by his experiences in the hospital and his kindly treatment by Christian relief workers.

He finally returns to his native village, ruined by the war. The confidence with which Miss Brown inspires her character symbolized the spirit which lay behind the work of the relief agencies in Shanghai. The book is not only a story, but quite frankly a force to awaken sympathetic help in the vast problem which lies before all groups concerned with relief and rebuilding in China.

F.M.R.

Minister Writes on Sex

SEX AND HAPPY MARRIAGE—By the Rev. Alfred Henry Tyrer. New York. Emerson Books, Inc. Price U. S. $2.00.

"This book has its source in the fountain of bitter sorrow and the remembrance of scalding tears. Looking backward down the corridors of silence and loneliness at the years that are gone, I realize how very different life might have been had the information contained in this book been given to me and my wife when we set out upon the great adventure of married life over forty years ago." Thus writes the author in his preface as utilitarian justification for a volume which tells all, complete with diagrams.

Despite his holy calling, the author does not mince words. Had the book been written by a laymen, doubtless it would have been banned in Boston.

The Reverend Tyrer would have us know that despite the importance of spiritual values in wedlock the mundane subject of sex is one of the most important aspects of wedded bliss or otherwise. As he puts it in chapter one, "Whatever a person's idea of 'God' may be, it is certain that sex is the plan and purpose of that God".

Any couple contemplating matrimony, who have arrived at that state without learning the subtleties of sex relationship, will find all of their questions answered.

V.K.

New Steinbeck Book

The Viking Press announces that Lewis Gannett, book editor of the *New York Herald-Tribune*, has written a personal and bibliographical article on John Steinbeck which will be released at the same time that the author's new book, *The Grapes of Wrath*, is published. The brochure will be available through the bookstores. More than a month before publication, advance bookstore orders for *The Grapes of Wrath* had necessitated two printings of the book, totalling 55,000 copies.

Nazi Activities in U. S.

The day after Walter Winchell received his review copy of *Secret Armies* by John L. Spivak, he said in his column . . . "Every Congressman and Senator should read it—and wake up." A few days later, in his regular Sunday night broadcast, Winchell announced to his radio audience that he had sent a copy of *Secret Armies* to *every* Congressman and Senator; and he recommended that every listener read the book.

One of the chapters in the book is entitled "The Dies Committee Suppresses Evidence." In spite of this, Winchell sent copies to Congressman Martin Dies and to the other members of the Committee. In the chapter referred to above, Spivak charges: "The Dies Committee withheld for months docu-

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In the United States Court for China

CLARENCE WILLIAM WARD *Plaintiff*	Cause No. 4395
vs.	Civil No. 2274
MARY ELIZABETH WARD, *Defendant.*	ORDER.
	Filed at Shanghai China, April 14, 1939.
	WILLIAM T. COLLINS *Clerk.*

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, has this 14th day of April, 1939, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 11th day of April, 1939, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 14th day of April, 1939, the plaintiff herein field an affidavit to the effect that the defendant does not now reside in China, nor has she resided therein since, and that defendant's last known address was 2216 River Avenue, Camden, New Jersey

NOW, THEREFORE, it is this 14th day of April, 1939, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 6th day of May, 1939, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court:
Dated at Shanghai, China,
this 14th day of April, 1939.

MILTON J. HELMICK,
Judge.

mentary evidence of Nazi activities in this country directed from Germany... The documents in the hands of the Dies Committee show the definite tie-ups between German propaganda divisions and agents in the United States (some of them came through the Nazi diplomatic corps), yet these documents were put aside."

Japan's Stock of 'Canned' Silk is Almost Exhausted

"Canned" raw silk, bought up by the Japanese Government since 1929 to maintain a steady price level, will soon be totally exhausted as a result of the extreme shortage of silk this year, the *Nichi-Nichi Shimbun* reported on April 26.

During the past 10 years, the Agriculture and Forestry Ministry has been exporting "canned" silk to British India, Australia and other countries on consignment by the Mitsui and Mitsubishi companies.

The original amount of "canned" silk totalled 110,330 bales valued at Yen 137,949,800, but by the end of February this year stocks had decreased to 26,500 bales.

62 Miners Lose Lives in Japan, Manchukuo Blasts

Sixteen miners were killed and 14 were missing as a result of a gas explosion in a coal mine at Yubari in the Hokkaido on April 27, according to a *Domei* report. The blast occurred 2,000 meters below the surface. Out of 296 miners in the pit at the time, 266 managed to reach places of safety. The explosion recalled a disastrous blast in the same mine last autumn.

A message from Mukden said the death toll in a gas explosion at the Fushunchal mine on April 26 was six Japanese and 26 Manchukuoans. Quoting an announcement of the mine administration officials, the message attributed the disaster to the release of a large volume of fire damp following blasting operations.

Health Risks In Your Summer Diet.

A Precaution Worth Remembering.

Dangerous are the germs which lurk unseen in fruit which is over-ripe or not in sound condition. The same is true of food that is stale or tainted, and of water which is impure.

If you have inadvertently partaken of doubtful food or drink your need is a laxative which will gently yet thoroughly clear the digestive tract. Pinkettes exactly answer this description and meet this need. A little dose of this ideal laxative medicine will speedily cleanse the system and prevent any harmful effects. Non-griping and non-purging, the gentle as nature action of these dainty pilules is particularly appreciated by women.

For constipation, liverishness, biliousness, to sweeten the breath, prevent pimples, boils and other skin blemishes, and to relieve piles, there is nothing better than an occasional dose of Pinkettes. Obtainable at all chemists.

88-360

Suiyuan Coal Mines Put Under New Management

Moving towards a large-scale exploitation of the Siahwayuan Coal Mines, southeast of the Peking-Suiyuan Railway in southern Suiyuan, with coal deposits of almost 500,000,000 tons, the Federated Commission of Mengkiang has placed the mines under the management of the Hisatusune Coal Mine Company of Kyushu, *Domei* reported April 29 from Kalgan. The Kyushu coal mining company, owned by Sadao Hisatusune, member of the House of Peers, is planning to mine 15,000 tons of coal this year, with a goal of 500,000 tons set for next year.

Owned by the Federated Commission of Mengkiang, the famed coal deposits of Siahwanyuan are said to be second only to those of Tatung in Shansi. They hitherto have been directly worked by the Commission assisted by engineers of the Fushuu Coal Mines, of the South Manchuria Railway Company.

Kinhan-Lunghai Lines To Be Linked This Week

Two major railway arteries in North China were to be linked on May 5, when an 80-kilometer spur of the Peking-Hankow railway, jutting to the southeast from Sinsiang in Honan to Kaifeng, the provincial capital, was due to be opened to traffic, *Domei* reported last week. The line was built by Japanese Army engineers who constructed a temporary wooden brigde across the Yellow River to carry the new line. Work on this spur began on March 25. Sinsiang is also the junction of the Taokow-Chinghwa and Peking-Hankow Railways. The Peking-Hankow and Lunghai railways cross at Chengchow, west of Kaifeng. Chengchow is still in Chinese hands.

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